



# ***Daily Report***

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## **China**

FBIS-CHI-91-005  
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# Daily Report

## China

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8 January 1991

**NOTICE TO READERS:** As of 2 January 1991, television sourcelines in the DAILY REPORT will reflect how a station identifies itself. In most cases, this change eliminates the "Television Service" designation in favor of the station identification as broadcast. The presence of a new television sourceline reflects this change in policy, rather than the establishment of a new station or network.

**NOTICE TO READERS:** An \* indicates material not previously disseminated in electronic form.

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## General

### Paper Has 'Exclusive Interview' With Qian Qichen

#### Qian on International Issues

OW0501085391 Beijing XINHUA in English  
0822 GMT 5 Jan 91

[Text] Beijing, January 5 (XINHUA)—The first issue of "BEIJING REVIEW" 1991 carries the full text of an exclusive interview with Chinese Foreign Minister Qian Qichen on major international issues and China's diplomatic achievements.

Minister Qian pointed out that the current world situation is in a transitional period in which the old order has collapsed, yet a new one has not taken shape. "In this transitional period, the international situation is volatile and the world does not enjoy peace," he said.

"Old conflicts are intermingled with new ones, and various forces are in the process of realignment and reorganization. The economic gap between the North and the South is continuing to widen and political, economic and ethnic problems in many parts of the world have become more prominent. Tensions have flared up in some regions," Qian added.

Talking about China's diplomatic achievements over the past year, Qian said "today China enjoys its best relations with its neighboring nations since the founding of New China in 1949. This has created a favorable environment for China's economic construction. It also exerts a positive impact on the maintenance of peace and stability in the Asia-Pacific region and the world at large."

He noted that in the past year, China upheld international codes of justice by making incessant efforts to find a peaceful solution to the ongoing Gulf crisis and a political solution to the Cambodian question. "This position has won China worldwide appreciation and acclaim," he said.

He stressed that China formulates its position and policies on all international issues independently, evaluating each on its merits and taking into consideration the fundamental interests of the world's people.

Concerning the Cambodian issue, Qian said: "China is ready to make common efforts with the international community to promote the resumption of the Paris conference on Cambodia. China also hopes that Phnom Penh will not make any more trouble and adopt a more realistic attitude so that a comprehensive, just and reasonable political solution to the Cambodian problem can be realized as early as possible."

The first issue of "BEIJING REVIEW" 1991 will be off press soon.

#### Qian on Sino-U.S. Relations

OW0501085991 Beijing XINHUA in English  
0842 GMT 5 Jan 91

[Text] Beijing, January 5 (XINHUA)—Chinese Foreign Minister Qian Qichen said on the present state of Sino-U.S. relations, "there is some improvement, but relations have not yet returned to normal."

In an exclusive interview with "BEIJING REVIEW" recently, Qian stated that China attaches great importance to the development of Sino-U.S. relations.

He noted that both China and the United States are permanent members of the U.N. Security Council. China is the largest developing country in the world, and the United States the biggest developed nation. "To resume and develop the Sino-U.S. relations will not only coincide with the interests of both sides, but also help maintain peace and stability in the world," he said.

Qian pointed out that in spite of their differences in social systems, ideology and values, which often lead to their different attitudes and methods of handling similar problems, China and the United States share common interests on an extensive scale.

He said that the two countries can co-operate with each other in many fields on a mutually beneficial basis as long as they respect each other and do not interfere in each other's internal affairs. "To attain this goal, it is obviously necessary to promote exchanges and visits between the two sides and increase mutual understanding," he added.

The full text of the interview is printed in the first issue of "BEIJING REVIEW" 1991 which will be off press soon.

#### Qian on 1990 Foreign Affairs

OW0401023391 Beijing International Service  
in Mandarin 0900 GMT 3 Jan 91

[From the "Report on Current Affairs" program]

[Text] Dear listeners, the first issue of this year's BEIJING REVIEW has published an interview with Chinese Foreign Minister Qian Qichen in which he discusses major international events in 1990. Following are excerpts of the foreign minister's remarks in this regard.

When talking about the many major changes in the world since 1989, which affected the world strategic structure and the characteristics of the current international situation, Foreign Minister Qian said: The development of events in the past year showed that the Yalta structure, which had been maintained for over 40 years following the conclusion of World War II and had been marked by the separate domination of Europe by the United States and the Soviet Union, has been dismantled. The period of sharp confrontation and vying for hegemony in the world between the two superpowers has basically come to an end. Some new power centers have emerged. The

world strategic structure is developing toward a multipolarity. This is a transitional period: the old structure has been dismantled while a new one has yet to take shape. New and old contradictions have intertwined with one another. The disintegration and realignment of all kinds of forces are now taking place. The gap between the south and north has widened continuously. Many political, economic, and ethnic problems have become more and more conspicuous. Situations marked by tension and instability have emerged in some regions. The international situation in this transitional period is characterized by its changeability, and peace has yet to prevail in the world.

When touching on China's diplomatic achievements in the last year, Foreign Minister Qian said: In the last year, the friendly cooperative relations between China and neighboring countries witnessed a marked development and improvement. China is now experiencing its best period in its relations with neighboring countries since the founding of the Republic, which creates a favorable environment for China's economic construction. It also will have a positive effect on peace and stability in the Asia-Pacific region and in the world. He said: In the past year, China resumed diplomatic relations with Indonesia and successively established diplomatic ties with Namibia, the Kingdom of Saudi Arabia, Singapore, and the Republic of the Marshall Islands. China's foreign relations have seen a new development.

When discussing relations with Western countries, he said: Many Western countries are now beginning to relax their relations with China and to gradually resume high-level contacts. Sino-Japanese relations are now experiencing positive changes. The third yen-loan is being extended. Some other Western countries again are offering export credits and government loans, and there has been a gradual increase in economic cooperation and scientific and technological exchanges. The conference of EC foreign ministers decided to resume relations with China. Exchanges of bilateral high-level visits between China and Western countries have started. My formal visit to the United States at the invitation of U.S. Secretary of State Baker was a major event in Sino-U.S. relations and indicated a gradual improvement in the bilateral relationship.

Regarding the Chinese Government's stance on solving the Gulf crisis, Foreign Minister Qian pointed out: The Chinese Government always has held that relations between countries should be established on the basis of the five principles of peaceful coexistence. Differences between nations should be solved through peaceful means and not by a resort to force, let alone by allowing the armed occupation of other countries. Under this principle, we opposed Iraq's armed invasion and occupation of Kuwait at the beginning of the Gulf crisis, and advocated the restoration of Kuwait's independence, sovereignty, territorial integrity, and its legitimate government. Based on the same principle and stance, the Chinese Government has advocated the use of peaceful means to solve the Gulf crisis and holds that the attempt

to use force to solve it is a very serious issue whose possible consequences should be considered.

When talking about the Cambodian issue, Foreign Minister Qian said that the four Cambodian factions held an informal meeting in Jakarta last September and announced the formation of a supreme committee. This shows that a political solution to the Cambodian issue has entered a new stage and that basic conditions for its realization exist. Because the Vietnamese and Phnom Penh authorities have raised obstacles and broken their promises, however, the political solution to the Cambodian issue has met with new barriers. China is willing to join efforts with the international community to bring about the early resumption of the Paris international meeting on the Cambodian issue. China also has expressed the hope that Phnom Penh will, proceeding from its national interest, adopt a realistic approach and not create problems, so that the Cambodian issue may have a comprehensive, equitable, and reasonable solution at an early date.

#### **'Yearender' on Conventional Disarmament in Europe**

*HK0801055791 Beijing RENMIN RIBAO in Chinese  
31 Dec 90 p 7*

["Yearender" by Hu Yumin (5170 6276 7036): "A Year in Which Breakthrough Has Been Made in Reduction of Traditional Armed Forces in Europe"]

[Text] On 19 November 1990, the 22 countries of NATO and the Warsaw Pact signed the "Treaty on Conventional Armed Forces in Europe" in Paris, which stipulated the limits of conventional armaments kept by the two sides "within the geographical sphere from the Atlantic to the Urals." This was the first treaty on reducing conventional armaments concluded by the two major blocs since their founding, and marked a breakthrough in Europe's disarmament.

The formal talks on this treaty began on 9 March last year. Seven rounds of talks were held in 20 months. Because the Soviet Union carried out unilateral disarmament and accepted the principle of "nonreciprocal disarmament," which meant that the superior side should reduce more armaments and take action first, the NATO allies were prompted to unify their policy and pace and the talks were thus advanced steadily.

Before the beginning of the fifth round of talks on 12 January this year, the two sides had reached agreement on the limits to the number of tanks, armored vehicles, and helicopters; however, differences remained over the armament limits for each country, the categories of aircraft, reserve weapons, troops, and measures for verification and weapon dismantlement.

The drastic changes in the situation in Eastern Europe last winter and spring and the quickening pace of Germany's reunification gave further prominence to the need for stabilizing the situation in Europe. Shortly after the beginning of the fifth round of talks, Bush proposed



that the number of troops stationed by the United States and the Soviet Union in central Europe be reduced to 195,000, and as the Soviet Union enjoys geographical superiority, the United States can station another 30,000 troops in Britain and southern Europe.

On the surface, this tried to impose on the Soviet Union something that it could hardly accept; but Bush's proposal in fact took Moscow's actual difficulties into account. The drastic changes in Eastern Europe had made the withdrawal of Soviet troops a necessity. At that time, the Soviet Union had decided to completely withdraw its troops from Czechoslovakia and Hungary within 18 months. Bush's proposal would not only mitigate the pressure on the unilateral force withdrawal of the Soviet side, but also would legalize both sides' stationing troop in central Europe.

This was more than what the Soviet Union wanted. So it accepted every point of Bush's proposal in a period of two weeks. To seek support from Britain and France for its negotiation policy, the United States persistently avoided discussing the issue of limiting troops stationed by the allies in Germany.

The results of the elections in East Germany on 18 March showed that it would be hard to resist Germany's rapid reunification and its participation in NATO. The voice calling for the withdrawal of Soviet troops from East Germany was also increasing. Therefore, shortly after the beginning of the sixth round of talks, the Soviet Union proposed that limits on armaments in Germany be especially stipulated, and demanded that the troops stationed by the two major blocs in central Europe be reduced to below the 700,000-750,000 level; however, NATO rejected the Soviet proposal.

The main differences mentioned above were solved after the Soviet Union's terms for Germany's reunification were guaranteed. On 12 September, the foreign ministers of the United States, the Soviet Union, Britain, France, and the two Germanys signed the "Treaty on the Final Settlement of the German Issue," in which they delimited Germany's boundary after its reunification, stipulated that Germany is not allowed to produce and possess nuclear and chemical weapons, and required Germany to reduce its troops to 370,000 within three to four years.

Then, West Germany and the Soviet Union signed a 20-year good-neighbor and cooperation treaty. They pledged not to be the first to use force against each other. West Germany also promised to offer 12 billion DM to the Soviet Union for resettling the troops withdrawn from East Germany. These treaties and pledges played a major role in advancing the disarmament talks and the eventual conclusion of the "Treaty on Conventional Armed Forces in Europe."

The treaty included the five categories of "offensive" heavy equipment, including tanks, armored vehicles, cannons, fighter plans, and helicopters in the scope of disarmament, and formulated four levels of armament

limits. First, the armament limits were given on each bloc—20,000 tanks, 30,000 armored vehicles, 20,000 cannons, 6,800 fighter planes, and 2,000 helicopters. Second, the limits were given on three categories of equipment in active service—16,500 tanks, 17,000 cannons, and 17,300 armored vehicles, with the equipment exceeding the limits being kept in warehouses. Third, regional armament limits were given—the limits on armaments deployed in the four regions—central Europe, extended central Europe, the region stretching from the Atlantic and the Urals, and the flank region. Fourth, armament limits were given for individual countries—that is, 13,300 tanks, 20,000 armored vehicles, 13,700 cannons, 5,150 fighters, and 1,500 helicopters, which account for two-thirds of the total armaments kept by the two blocs. According to the above limits, NATO and the Warsaw Pact will separately work out the arms limits for their own member countries.

According to calculations, the quantity of weapons that the Soviet Union should reduce accounts for over 70 percent of the total reductions made by the 22 countries, and the armaments of the West European allies in NATO will not be reduced substantially.

To prevent the frontline of the military confrontation and the areas where most armaments are deployed in Europe from becoming the hotbed of new conflicts, the treaty lays down special limits on the armament level in central Europe, which includes Germany and six other countries. It is stipulated that the armament limits on central Europe can be shifted to the extended region of central Europe or to the region from the Atlantic to the Urals, but no additional armaments can be moved from other regions into central Europe. It is also stipulated that Germany can only possess no more than 4,166 tanks, 3,446 armored vehicles, 2,705 cannons, 900 fighter planes, and 306 helicopters. As an appendix to the treaty, the German Government stated that the number of its troops would be limited to 370,000. The 195,000 troop limit for the United States and the Soviet Union in central Europe, which both sides agreed to earlier, was also included in the second-phase treaty.

It should be pointed out that there were many loopholes in the treaty, which was hastily drawn up in 20 months. For example, the treaty did not lay down any limit on the quality of the weapons, nor did it restrain the transfer of weapons to other regions outside Europe. The Soviet Union and NATO were both adjusting their armaments deployed in the relevant regions and countries to keep the most advanced weapons and eliminate the outmoded equipment.

The Soviet Union is now shifting thousands and thousands of pieces of such heavy weapons as tanks, armored vehicles, cannons, and planes to central Asia east to the Urals; and the Western countries are also shifting and selling weapons they do not need to countries outside Europe. The weapons that are transferred to other

regions will not only pose dangers to the security in other regions, but will continue to be potential threats against Europe.

While lowering the armament level in Europe, the treaty will also result in eliminating the Soviet Union's superiority in conventional armaments over the West and promoting Europe's disarmament process and the tendency toward the "equilibrium of strength at a low level." NATO held that the Soviet Union's military threats against it had reached the lowest point since the end of World War II.

The treaty will prompt the armament structure and the military strategy in Europe to change its defensive orientation, will lower the possibility of the outbreak of surprise and large-scale attacks, and will be favorable to peace in Europe. The Soviet Union has announced that the Soviet armed forces "will carry out their structural adjustment in the defensive orientation," and NATO has also stated that it would give up the "frontline defense" strategy and would rely more on the mobilization of reserve forces. NATO and the Soviet Union also agreed that talks on short-range missiles in Europe would begin as soon as the conventional disarmament treaty came into force. This will extend the change in Europe's armament structure from the conventional field to the nuclear field.

With the treaty's implementation, the West will basically realize its main objective of weakening the Soviet Union's military threat. While the external pressure is lessened, the security interest contradictions between various NATO allies will come to the surface. In the future, they will approach and handle various issues more from their own national interests rather than the interests of the whole bloc. Therefore, the situation of the follow-up talks, which have begun, will become more complicated.

#### Radio Commentary Reviews Crisis in Gulf

OW0501093391 Beijing International Service  
in Mandarin 0900 GMT 4 Jan 91

[Commentary: "Gulf Crisis Affects the World Situation;" from the "Reports on Current Affairs" program—passages within quotation marks are recorded]

[Text] The Gulf crisis erupted out on 2 August 1990 when Iraq blatantly invaded Kuwait by force. Up to now, the Gulf crisis has remained the focus of world attention. It has closely affected the development of the world situation and influenced every aspect of the world affairs. Recently, an editor from our International News Department and our reporters in Cairo, Washington, Moscow, Paris, and the United Nations jointly composed the following recorded commentary on the Gulf crisis. The title of the commentary is: Gulf Crisis Affects the World Situation.

The Gulf crisis, triggered by Iraq's invasion and annexation of Kuwait in the early morning hours of 2 August,

is an incident of one Arab country invading another Arab country. It has aroused strong repercussions in the Arab world. This is described by our Cairo reporter (Ma Weigong) as follows: "Immediate withdrawal of the Iraqi troops is the main cry from the Arab world; however, Jordan, Palestine, and Yemen have taken an opposite stance or have reservations in this regard. In spite of this, the Arab countries are unanimous in that they hope to make the utmost effort to solve the Gulf crisis peacefully within the Arab framework through political and diplomatic means."

At the outbreak of the Gulf crisis, the Western allies, headed by the United States, reacted strongly. Beginning 7 August, the United States sent large numbers of troops to Saudi Arabia and the Gulf region. Before the end of last year, the multinational troops stationed there by Western countries had increased to about 530,000, along with some 100 warships and more than 1,000 aircraft. With war clouds hanging over the Gulf, an armed conflict may be triggered at any moment. In the meantime, the United States has tried to urge the Security Council to adopt resolutions authorizing its use of force. There are reasons for such a strong U.S. reaction to Iraq's invasion of Kuwait. Our Washington reporter (Chen Juncai) has made this analysis: "As everyone knows, Gulf oil reserves account for 65 percent of the world's total reserves, and the Gulf region is the main source of oil imported by the United States. Because of this, the United States has all along viewed the Gulf as the lifeline of its economy. This is one of the reasons for the prompt and strong U.S. reaction. In addition to this, the U.S. stance is inextricably bound up with its intention to expand its influence in the Middle East by taking advantage of the opportunity that the Soviet power is dwindling and cannot contend with the United States for spheres of influence in that area."

This is the case in the United States. Regarding the Soviet Union, we would like to have some comments from our reporter (Cao Wei) in Moscow: "At the beginning of the Gulf crisis, the Soviet Union stood for a political and diplomatic solution to the crisis and opposed the use of force. Later, because of the firm position upheld by Iraq, political mediation suffered setbacks. Besides, Iraq created obstacles on the issue of the withdrawal of Soviet nationals. Accordingly, the Soviet Union changed its stance toward the Gulf crisis, and on 29 November voted for Security Council Resolution No. 678 authorizing the use of force by Bush. Apart from this, there are more intensive reasons for the change in the Soviet stance. For instance, it wishes to continually maintain unity with the United States diplomatically, and it does not want to see the Western economy jeopardized by the Gulf crisis because this would have an adverse effect on the assistance given to the Soviet Union. Moreover, it is concerned with the long-term presence of U.S. troops in the Gulf region."

Since its Fifth Republic, all the governments of France have shown prominently the independent nature of their foreign policies. Following the outbreak of the Gulf

crisis, France has gotten involved in this Middle East crisis in its own way, as stated by President Mitterrand. Our reporter (Wang Zuozhou) in Paris has made a very good summary of the French attitude: "The French reaction and policy has been to be both firm and cautious, to put emphasis on both military and diplomacy. While coordinating with the United States and other allies, France puts stress on acting independently and on its own accord. After the Gulf crisis occurred, France strongly denounced Iraq's invasion of Kuwait and promptly dispatched troops to the Gulf; however, it declared that it would not join the multinational forces headed by the United States. Moreover, it proclaimed that the French troops stationed in the Gulf and their mission are of a defensive nature and have refused to place the troops under the U.S. command. As people have noted, while getting itself involved militarily, France is more inclined toward a peaceful solution to the Gulf crisis. In September, President Mitterrand put forward in the United Nations General Assembly a four-point proposal for an overall solution to the Middle East disputes through the international community, including the Arab countries. In early October, he made a personal trip to the Middle East to seek Arab countries' support for his proposal."

Solving the Gulf crisis peacefully is an aspiration of the vast majority of countries in the world. This can be seen from the reactions in the United Nations to the Gulf incident. Do you think so, (Qian Yirun)? (Qian), who is our reporter stationed in the United Nations, has this comment: "It is exactly so. Immediately after Iraq's invasion of Kuwait, the Security Council unanimously adopted Resolution 660, severely condemning Iraq's aggressive act and demanding the immediate and unconditional withdrawal of its troops from Kuwait. Up to now, the Security Council has adopted over a dozen resolutions to continually intensify the pressure on Iraq; however, every mediatory effort of the international community has proved futile because Iraq has stuck to its stiff position and refused to withdraw its troops from Kuwait. On 29 November the Security Council adopted Resolution 678 authorizing the UN members to use force against Iraq provided that the latter still refused to withdraw its troops before 15 January 1991. The danger of war is increasing, and at the same time, there is a louder voice for a peaceful solution to the Gulf crisis. While the international community is gearing up efforts for the peaceful solution, Iraq has recently approved the release of the 2,000-plus foreign hostages held in Iraq and Kuwait. Now the majority of them have returned to their own countries. On 30 November, U.S. President Bush proposed that the U.S. secretary of state and Iraqi foreign minister visit each other's capital and hold direct dialogues on the solution of the Gulf crisis. Iraq responded on the following day, saying that it would accept the proposal on certain conditions."

On 3 January the U.S. President put forward another proposal that the U.S. secretary of state and Iraqi foreign minister meet in Switzerland between 7 and 9 January.

Commencement of dialogues is a breakthrough toward the peaceful solution of the Gulf crisis. Only through dialogue will it be possible to open the road to peace and to avoid war. The key to solving the Gulf crisis is for Iraq to withdraw from Kuwait immediately, unconditionally, and totally, and to restore the Kuwaiti legal sovereignty in response to the call of the international community. All peace-loving people are longing for the early arrival of such a day.

#### 'Analysis' Discusses Upcoming Baker-'Aziz Talks

OW0601150491 Beijing XINHUA Domestic Service  
in Chinese 0833 GMT 6 Jan 91

["XINHUA News Analysis by reporters Huang Yong (7806 0516) and He Dalong (0149 1129 7127): Will There Be a Village Shaded With Willow Trees and Radiated With Flowers?—Written Before the Geneva Talks Between the Foreign Ministers of the United States and Iraq"—XINHUA headline]

[Text] Washington, 5 Jan (XINHUA)—The tension in the Gulf region increased with each passing day with the approach of the deadline of the UN demand that Iraq withdraw its troops from Kuwait. Despite the difficult situation, however, the United States and Iraq suddenly agreed to hold foreign ministerial talks in Geneva on 9 January. This decision has shed a ray of peace over the Gulf sky, where the dark clouds of war have hung very low.

The talks were proposed by U.S. President Bush on 3 January, and were accepted by the Iraqi side on 4 January. Over the past month, although the United States and Iraq made proposals for solving the Gulf crisis peacefully through foreign ministerial mutual visits and talks, they failed to agree on the negotiation date because each side insisted on its own proposal. At the same time, both sides stepped up war preparations militarily. Why have both sides suddenly changed their attitudes and once again made new efforts for peace?

First of all, both the United States and Iraq are aware that once the Gulf war starts, it will be a bad war exacting a high price. The United States has to take into consideration the possibility of heavy casualties, the severe destruction of Middle East oilfields, and the possibility of incurring more widespread and deep-rooted hatred in the Arab world. Once fighting begins, the consequences will be extremely serious for Iraq. Therefore, neither side wants to resort hastily to force, and war threats are primarily aimed at forcing the other side to make concessions.

Second, both sides have agreed to talks to influence domestic and international public opinion. In the United States the public supports the government sanctions against Iraq through an embargo and the government demand that Iraq withdraw from Kuwait, but is against launching a war to achieve this purpose. In the United States many senators have warned repeatedly that they will support Bush taking military action in the



Gulf only when no results are produced after all diplomatic efforts have been explored. The White House and Congress have been bickering endlessly over who has the right to declare war. Therefore, Bush's announcement of a new round of diplomatic effort for peace is precisely aimed at winning over the people and at reducing resistance in the event he asks Congress to give him the right to make war.

Although the international community universally opposed Iraq's invasion of Kuwait, it is heavy-hearted at the prospect of the United States preparing to use force to evict Iraq. Many countries, including U.S. allies, all stand for more diplomatic efforts to achieve a peaceful solution to the crisis through negotiations. Bush has indicated that he is willing to "walk another mile" for the sake of a peaceful solution. Obviously, his purpose is to show to international public opinion that he has done his part in this respect.

The Iraqi Government is also domestic pressure of demand for talks. After the eight-year war with Iran, the people of Iraq are extremely in need of rehabilitation and are extremely war-weary. In addition, the Iraqi Government's agreement to hold talks is also aimed at making its posture [for peace] known to all countries of the world, particularly the "antiwar groups" of the United States, to delay the launching of a military attack by the Bush administration.

In addition, both sides try to secure the initiative for diplomatic talks. To avert a war in the Gulf, West Europe, the Arab world, and UN Secretary General are all making vigorous efforts to mediate. These efforts, especially the decision made by the EC to hold direct talks with Iraq, make the U.S. Government rather uneasy. Though the United States welcomes the diplomatic efforts made by the EC, it worries in private about the possibility that Iraq may take advantage of its difference with the European countries over the Palestinian issue. Therefore, the Bush Administration adopts such a vigorous attitude, trying hard to influence and lead the diplomatic efforts of the West.

Since it invaded Kuwait, Iraq has been isolated diplomatically. It insists on its proposal that its troop withdrawal from Kuwait must be linked to Mideast issues, including Israel's withdrawal from the Palestinian territories and others. Although the demand was rejected by the United States, it has a certain attraction for West Europe and the Arab states. Iraq reiterated it will raise the issue of the rights of the Palestinian people during the Geneva talks in an attempt to take advantage of the contradiction between the United States and its allies, to disintegrate the anti-Iraq alliance, and win the sympathy of the Arab states.

It is hard to predict the prospects of the U.S.-Iraqi talks to be held in Geneva. The United States declared that at present it still insists on the principle of "No talks, no compromise, no face-saving, and no reward for aggression" and that the talks are only intended to tell Iraq

"either withdraw its troops or face an attack." Iraq, on the other hand, condemned the arrogant attitude of the United States. Iraqi Foreign Minister 'Aziz said, "The Geneva talks will last only five minutes if the United States does not soften its stand."

### Article Evaluates Latest Situation in Gulf

HK0801101491 Beijing SHIJIE ZHISHI in Chinese  
No 24, 16 Dec 90 pp 13-14

[Article by Ke Si (2688 2448): "At the Crossroads of War and Peace"]

[Text] In early and mid-November, U.S. Secretary of State Baker and President Bush visited the Middle East and Europe. On 17 November, Baker also held emergency discussions with 14 member states of the UN Security Council. This is the most extensive diplomatic activity the United States has carried out since the Gulf crisis broke out. When discussing with the Soviet Union, Western allies, and some Middle Eastern heads of state, Bush and Baker concentrated on the question of putting more military pressure on Iraq.

On 29 November, the UN Security Council passed Resolution 678 with the approval of 12 countries including the United States, the Soviet Union, Britain, and France, the disapproval of Yemen and Cuba, with China's abstention. The resolution fixed the deadline for Iraq to withdraw troops from Kuwait on 15 January, and confirmed that if Iraq fails to do so, all member states have the right to use "all necessary means" to force Iraq to carry out relevant resolutions passed by the United Nations regarding the Gulf crisis. This is the 12th resolution passed by the UN Security Council against Iraq since the Gulf crisis broke out.

Although the resolution avoids the wording "use of force," in fact it permits military action to be taken against Iraq; however, it did not obtain the unanimous approval of the five UN permanent members. Foreign Minister Qian Qichen said at the time of voting regarding Resolution No. 678: "In questions as significant as authorizing some member states to take military action against another member state, the United Nations should be very careful and should not be hasty. The content of this resolution over the use of force against Iraq conflicts with the Chinese Government's consistent stand of vigorously seeking a peaceful resolution, and it is embarrassing if the Chinese delegation votes for it. On the other hand, the resolution urges Iraq to fully comply with United Nations Resolution 660 and other relevant resolutions by immediately withdrawing its troops from Kuwait. This is what China consents to, and therefore China will not vote against it." The United States, Britain, the Soviet Union, and France, the four permanent members that cast affirmative votes, however, took different stands.

Following the development of the situation, differences among these countries on the use of force against Iraq have become more and more obvious. Moreover, in the

United States disputes centered on this issue have become very acute, and the number of people that disagree with the use of force has been increasing. Driven by various complicated factors, on the day after UN Resolution 678 was passed, President Bush put forward a peace proposal, the first since the Gulf crisis broke out, by which Iraqi Foreign Minister Aziz is invited to meet with Secretary of State Baker in the United States in mid-December and then Baker will meet with Aziz in Iraq. International opinion held that President Bush took this action because he wanted to win public support at home and abroad and to gain more political leverage, and because there is the actual need for him to use the last opportunity to seek a political resolution; therefore, the issue of war and peace is still uncertain. The United States' threatening means have, of course, been used to the utmost as the date for military action was fixed, and a war is now more likely to break out in the Gulf.

The United States has recently sent approximately 30,000 additional troops and a large number of heavy weapons, including M1A1 tanks, to the Gulf region. It has made good preparations for a possible war. The United States and Saudi Arabian troops are participating in joint exercises, code-named "Sudden Thunder," in the border area between Saudi Arabia and Kuwait. This is the largest military exercise since the Gulf crisis broke out, and it comprises 1,100 aircraft, 16 warships, including the "Midway" aircraft carrier, and large numbers of ground forces and Marine Corps members. Saudi Arabia and the British troops stationed in Saudi Arabia have heightened their level of war preparation. Moreover, Britain has decided to send another 14,000 troops to the Gulf region.

Lately, Iraq has made many peace appeals, calling for talks with various countries for a political resolution to the Gulf crisis and other issues; however, it has taken no substantial action on the key issue of troop withdrawal from Kuwait. At a time when Bush and Baker were visiting various countries to persuade the United Nations to pass the resolution on the use of force against Iraq, Iraq suddenly announced that it would release all Western hostages within three months from Christmas Day, 25 December, on the condition that the "peaceful atmosphere" was not to be ruined. Later, it decided to release all of the 170 German hostages in the hope of further weakening the anti-Iraqi alliance of the West. On the day before the United Nations passed the resolution on the use of force against Iraq, Iraq urged the United States to hold talks with it, but they met the United States' assertive refusal. On the day after Bush put forward the peace proposal, Iraq indicated that it would accept it conditionally. It seems it is not impossible for Iraq to change under enormous international pressure. Some subtle things, regardless of whether they have been on the side of the United States or on Iraq's, have brought them closer to each other on the question of dialogue, although they still take very different stands.

On the other hand, Iraq is still preparing for a war. In response to the escalated military maneuvers, by which the United States is continuously sending troops to the Gulf region and participating in large-scale airborne and sea-land amphibious exercises, Iraq announced on 19 November that it would send to Kuwait another 250,000 troops, which consist of about 100,000 troops under seven regular divisions and 150,000 freshly recruited reserve duty soldiers. On 21 November, President Saddam Hussein himself made his way to Kuwait and southern Iraq again to inspect the troops there, and saw to it that war measures were being implemented and that military preparations were being strengthened against U.S. attacks. Some sources said that U.S. radar discovered that Iraq had practiced surface-to-surface missile live firing.

Iraq resolutely rejected UN Resolution No. 678, maintaining that it was the "most dangerous" of all resolutions that had been passed. Iraq reiterated that its troops "would never withdraw from Kuwait," and that "Iraq would not yield under pressure."

Time is running out on Iraq in making the last choice over the Gulf crisis, and the international community is making added efforts to bring about peace. Foreign ministers of Egypt, Saudi Arabia, and Syria also held emergency discussions in mid-November, and they urged the United States not to use force against Iraq within three months so that more time could be obtained for the efforts to seek a political resolution. Iraq has also continuously sent delegates to some countries in the Middle East and North Africa in an attempt to win their support. The Iranian foreign minister, who had just returned from a visit to Iraq, said that Iraq had not completely closed the door to talks over troop withdrawal from Kuwait. It is estimated that within a period of time in the future, activities for mediation and dialogue among the various sides will increase, and that some progress can be made. Since the Gulf crisis has numerous uncertain factors, it is difficult to tell its prospects until the last minute. The whole world is watching in a tense atmosphere which way the Gulf crisis will be turning.

#### Foreign Ministry Official on Asian Developments

OW0501220491 Beijing Domestic Service  
in Mandarin 0530 GMT 4 Jan 91

[Talk by Wang Yingfan, director of the Department of Asian Affairs of the Ministry of Foreign Affairs; recorded—from the "International News and Current Affairs" program]

[Text] The general situation in the Asian region continued to develop in the direction of detente during 1990. Some changes took place, which were conducive to promoting stability and peace in the region.

First of all, following the relaxation of tension between the United States and the Soviet Union and the normalization of relations between China and the Soviet Union,

the Soviet Union announced that it decided to speed up the pace of withdrawing its military forces from Mongolia and reduce its armed forces deployed in its Asian region. The United States also announced that it would reduce its armed forces in the Asia-Pacific Region in several phases. Thus the level of military confrontation between the two big powers—the United States and the Soviet Union—has been reduced somewhat.

Second, a breakthrough was achieved in the political settlement of the Cambodia issue, which has lasted for more than 10 years, through the joint efforts of the international community. The five permanent members of the Security Council of the United Nations successively held six rounds of negotiations and formulated five documents on political settlement of the Cambodia issue in an all-around way. On this basis, a draft resolution on political settlement of the Cambodia issue in an all-around way was formulated at the Paris conference. In Jakarta, the four parties of Cambodia agreed on a formula for the establishment of a Supreme National Council of Cambodia. Despite the fact that difficulties and obstacles still exist, the final solution to the Cambodian issue has become the tide of history.

Third, the situation on the Korean peninsula further developed toward detente. The premiers of both North Korea and South Korea held three rounds of talks. Korea and Japan will soon hold talks on the establishment of diplomatic relations.

Fourth, the mutual relations of most countries in Asia were improved and developed. This promoted friendship and cooperation among countries and people in Asia.

Fifth, most countries in Asia achieved new progress in promoting political stability and economic development. The Asian region remained the region with the fastest growth and most vigorous economy in the world.

Naturally, there are also some unstable factors in the Asian region. We hope that countries and people in Asia will continue to strengthen unity and cooperation, solve disputes through dialogues, and jointly defend the peace, stability, and development of Asia.

In recent years, our country adhered to its independent peaceful foreign policy. On the basis of the Five Principles of Peaceful Coexistence, China further consolidated and developed its friendship, cooperation, and good-neighbor relations with various countries in Asia. In March 1990, General Secretary Jiang Zemin visited Korea [DPRK]. Premier Li Peng visited Indonesia, Singapore, Thailand, Malaysia, the Philippines, Laos, and Sri Lanka in August and December, respectively. In May, Chairman Wan Li [of the NPC Standing Committee] visited Pakistan. Heads of state of Mongolia, Bangladesh, Pakistan, Malaysia, and Indonesia and heads of the Governments of Korea [DPRK], Singapore, and Thailand visited China at the invitation of the Chinese Government. The high-level mutual visits strengthened mutual understanding and cooperation and

promoted the development of bilateral friendship and cooperation. In particular, it should be noted that, in August 1990, China and Indonesia resumed diplomatic relations after being stopped for 23 years. In October, China and Singapore established diplomatic relations. The normalization of relations with the two member countries of the ASEAN created favorable conditions for China's development of all-around friendship and cooperation with the ASEAN. China always maintained very good friendly relations with Pakistan, Bangladesh, Nepal, and Sri Lanka in South Asia. In March 1990, Foreign Minister Qian Qichen visited India. This promoted the trend of improvement and development of relations between China and India. The normalization of relations between China and Vietnam has not been achieved because of the Cambodian issue. To promote the all-around political settlement of the Cambodia issue, the leaders of our country and Vietnam held talks. The normalization of relations between our country and Laos has been realized since 1989, and the bilateral relations are developing rapidly. The visit to Laos by Premier Li Peng not long ago was the first visit to Laos by a senior leader of our country, and the visit opened a new page in the development of friendship relations and cooperation between China and Laos.

In short, China's relations with countries around her in Asia improved and developed in an all-around way. China's relations with her neighboring countries are now in the best period during the past 40 years.

### **Baltic Countries Discuss Unified Cooperation**

*OW0801105191 Beijing XINHUA in English  
0737 GMT 8 Jan 91*

[Text] Helsinki, January 7 (XINHUA)—A three-day parliamentary conference to discuss the creation of a unified relationship of Baltic Sea countries opened here today.

In his opening speech, Kalevi Sorsa, speaker of the Finnish Parliament said: "We are on the threshold of exploring the establishment of a broad 'Baltlink' at parliament level.

"Old contentions have not yet been entirely removed. We could still encounter in real life attempts by some states to dominate, or excessive outbursts of nationalism," he pointed out.

The speaker stressed that the countries around the Baltic Sea had a joint interest in avoiding becoming isolated and peripheral in the new Europe.

He also warned that the Baltic Sea area would fall behind many other parts of Europe unless counter-measures were taken.

He called for further steps in making the Baltic Sea into a unifying link between countries and peoples.

Last September, the prime ministers of the area decided at a summit meeting in Sweden to step up environmental



cooperation and agreed on the need for a plan of action to redress imbalances in the Baltic Sea's ecosystem.

The present conference is expected to discuss a wide range of issues, including closer economic and cultural cooperation, environmental protection and the creation of a nuclear-arms-free-zone.

Representatives from the five Nordic countries, and from Poland, Germany, the Soviet Baltic republics and the Soviet Union attended the conference.

### **XINHUA Analyzes Post-Cold War Developments**

OW0701090591 Beijing XINHUA Domestic Service  
in Chinese 1107 GMT 25 Dec 90

["News analysis" by XINHUA reporter Li Hubing (2621 5170 0365): "Post-'Cold War' NATO"]

[Text] Brussels, 24 Dec (XINHUA)—A string of drastic changes has swept through the European continent in 1990. The Warsaw Pact and NATO, two large military alliances that have been at loggerheads for 40 years, have ended their "cold war." As a party to the "cold war," the Warsaw Pact has announced its plan to halt military exercises in December of this year and to disband itself in June 1991. The Soviet Union will withdraw all of its troops from Eastern Europe before 1994. The two large military alliances signed a "Treaty on the Reduction of Conventional Arms in Europe" in Paris last month, basically equalizing the Soviet Union's conventional arsenal with NATO's. This has caused people to ask: As the other party to the "cold war," what actions will NATO take? Will it continue to exist?

Observers here believe that NATO will continue to exist in the foreseeable future as a link between the two sides of the Atlantic Ocean. Its strategy will undergo remarkable changes, however, and the growth and decline in the relative strengths of its member states and the diversity of their interests will weaken its internal structure. The conflict between Europe and the United States will become more acute.

The two sides of the Atlantic Ocean currently need to preserve NATO to protect their common political and security interests. The political upheaval and economic recession in the Soviet Union and in Eastern Europe probably will become a new destabilizing factor in Europe. Despite its substantial foreign policy changes, the Soviet Union remains a strong military power in NATO's backyard, and many NATO countries are still wary of it. Besides, regional conflicts, especially developments in the Gulf crisis, have kept NATO alert.

Nevertheless, NATO has begun to readjust its strategy to accommodate the new situation. An important aspect of the readjustment is the expansion of the organization's political role, whereby internal consultations among the member states are strengthened to coordinate political stances on external matters. A current key task in this

respect is studying ways to strengthen political cooperation and exchanges with the former "enemies"—the Warsaw Pact countries—to establish so-called "partnerships." In readjusting its military strategy, NATO will seek to revise the strategy of "flexible response," which it has pursued to date. The basic readjustment will be to lessen the organization's dependence on nuclear weapons, making them "weapons of last resort." This was disclosed by the NATO summit held in London in July. In readjusting its conventional forces, NATO plans to form a smaller and more mobile and flexible multinational force. Moreover, the expansion of NATO's defense area has become a topic of discussion among the organization's member states.

Generally speaking, NATO's readjustment of its strategy is still under discussion, and a new strategy probably will be unveiled next year.

Although both sides of the Atlantic Ocean favor NATO's continued existence, they have vastly different ideas regarding the organization's role. To maintain its influence in Europe, the United States has attempted to transform NATO into a super-agency taking overall charge of European defense, political, and economic matters. Most Western European countries, however, favor efforts to build European defense and to reinforce the Western European Union's functions. Because of sharply different concepts, the conflict between Europe and the United States concerning NATO's transformation will continue to unfold.

Germany's unification and rise is an important factor affecting NATO's internal relations. Capitalizing on its advantageous position, the country currently is working to achieve a strategic balance between the United States and the Soviet Union and is maneuvering between Eastern and Western Europe in an effort to play a leading role in shaping Europe's future structure. This has complicated NATO's internal conflicts.

Among Western European alliance members, only France and Britain have nuclear arsenals. These two countries, however, have clearly stated that their short-range nuclear weapons should not be covered by future U.S.-Soviet talks on cutting short-range nuclear arms. Both France and Britain are worried about Germany's rise and want to impede that country's development. In short, the rift among Western European countries is widening, and their conflict of interests is coming to light.

The "cold war" between East and West produced the Warsaw Pact and NATO. With the end of the "cold war," the Warsaw Pact will be disbanded. The international community inevitably will closely follow the developments in post-"cold war" NATO.

**U.S. & Canada****Baker Says UN Deadline for Iraq Non-Negotiable***OW0701192991 Beijing XINHUA in English  
1839 GMT 7 Jan 91*

[Text] London, January 7 (XINHUA)—U.S. Secretary of State James Baker said on Monday that the United Nations deadline for an Iraqi pullout from Kuwait could not be postponed.

Baker told reporters that the only real chance for peace was that Iraqi President Saddam Husayn understood that the deadline was real and the threat of an attack on the Iraqi forces was serious.

The message came after reports from Baghdad that Saddam Husayn would press for relaxation of the UN deadline on January 15.

He said the Iraqi president "simply wants to push the deadline back and we are not interested in that."

Baker said he would hand over a letter from President George Bush during the meeting in Geneva on Wednesday with Iraqi Foreign Minister Tariq 'Aziz, demanding the full withdrawal of Iraqi troops and that it will depend on Iraq to make the choice for war or peace.

"We continue to hope for a peaceful solution. The choice is Iraq's. The choice is his. We hope that he makes the right choice," he said.

Baker had been holding talks with British Foreign Secretary Douglas Hurd in London before his meeting in Geneva.

**U.S. Denies Secret Negotiations on Gulf***OW0701175091 Beijing XINHUA in English  
1542 GMT 7 Jan 91*

[Text] Washington, January 6 (XINHUA)—U.S. officials denied today that secret negotiations are under way between the Gulf allies and Baghdad as the January 15 deadline for Iraq to withdraw from Kuwait is pressing closer.

U.S. National Security Advisor Brent Scowcroft, Defense Secretary Dick Cheney and Secretary of State James Baker appeared on separate TV talk shows repeating the administration's position that the war is virtually inevitable if Saddam Husayn refuses to get his troops out of the occupied Kuwait.

Unconfirmed reports from Western diplomats in Baghdad said that the negotiating are going on between U.S. allies in anti-Iraq coalition and Baghdad, and that Saudi Arabia, Kuwait and Iraqi are possibly involved.

According to a report of the Sunday's editions of the WASHINGTON POST, Iraq would withdraw from Kuwait in exchange for possessing a disputed oil field and two islands.

But Cheney denied such negotiations.

Baker said upon leaving for Europe that he will bring to 'Aziz a letter from Bush to Saddam Husayn during their Geneva talk.

NBC News reported Saturday night that the last paragraph of the Bush message warns the Iraqi leader that failure to pull out of Kuwait on U.S. deadline would risk war.

It is reported that Baker, aboarding his plane for London early Monday, told the press reaffirming U.S. refusal to consider further talks with Iraq after Wednesday.

"This deadline of January 15 is real in our view," he said, adding "We have said for some time that we would not permit him to manipulate that deadline, try and extend it through offers to negotiate when there is really nothing to negotiate."

**Article Reviews Issues Before 102d U.S. Congress***OW0401012391 Beijing XINHUA in English  
0103 GMT 4 Jan 91*

[Text] Washington, January 3 (XINHUA)—The 102nd Congress of the United States opened today, with much of the debate to be dominated by the Gulf crisis and the nation's economic health.

Even before the noon opening ceremony, congressional leaders were meeting with President George Bush to hear an update on the administration's efforts to break the deadlock on the Gulf crisis.

After the meeting, Senate Majority Leader George Mitchell said the Congress would cancel its usual recess in the next three weeks and lawmakers could be called back for the consultations on the Gulf crisis on "short notice".

The move taken by the congressional leaders is expected to lead to a heated debate on who has the authority to declare war and when it should be launched.

President Bush has argued that as commander-in-chief of U.S. troops, he has the right to declare war any time after the United Nations' January 15 deadline for Iraq to pull out of Kuwait, while Democrats insist that Bush seek congressional approval prior to war actions or they come only if the economy sanction fails.

The Congress will also keep a watchful eye on the Soviet Union, where tension between Kremlin and nationalist republics continues to build up, threatening anarchy and bloodshed. Besides, the alleged Soviet cheating of the European conventional arms treaty will be brought up, along with a debate on Strategic Arms Reduction Treaty expected to conclude earlier this year.

On the home front, the lawmakers will be confronted with a brain-racking task of how to fend off the economic recession with traditional means of economic stimuli while not violating the budget agreement between the

White House and the Congress to reduce federal budget deficit by 492 billion dollars in the next five years.

Already, some members of the Congress are talking about a major transportation bill and other "infrastructure" initiatives, which will create jobs, while some others are pondering the idea of reviving economy with tax cut. But all these measures are handicapped by the tough fiscal constraints in last year's budget agreement which virtually rules out any kind of stimulative tax cuts and expensive jobs programs.

As reports of bank failures appear one after another, alarming lawmakers will spend much of time revamping the nation's banking system to avert a possible replay of the 1930s financial disaster.

On the agenda of the new Congress, there will be many businesses left from the old one, such as campaign finance reform, civil rights protection for women and minorities and unpaid leave for workers with new infants or ill family members.

With 1992 elections in mind, some lawmakers will push for a controversial trade bill to protect industries, such as textiles, that they contend have been hurt by unfair foreign imports.

As the result of last year's mid-term elections, the 102nd Congress adds one Senate seat and 10 House ones to the already strong Democratic Party, which now enjoys a 56-44 advantage in the Senate and 267-167 in the House.

Although the Democratic-dominated Congress never overrode Bush's veto last year, many U.S. political analysts say, the Republican President will be face a greater challenge in the Congress than ever.

#### **Spokesman on Postponement of U.S.-Soviet Summit**

OW0801020591 Beijing XINHUA in English  
0059 GMT 8 Jan 91

[Text] Washington, January 7 (XINHUA)—U.S. White House Spokesman Marlin Fitzwater said today that there's "always a possibility" that the planned U.S.-Soviet summit in February "could be delayed."

Speaking at a press briefing, Fitzwater listed two reasons for the possible delay of the summit meeting between U.S. President George Bush and Soviet President Mikhail Gorbachev on February 11-13 in Moscow.

The two leaders are scheduled to sign a strategic arms reduction treaty, known as START treaty, during the summit.

One reason, Fitzwater said, "is the situation in the Persian Gulf and what might be the status of events there at that time."

"The other is the status of start negotiations, and we are having some delays in that area," he said.

He explained that the start issue relate to "verification of some of the numbers we were given during the CFE, and we have had some concerns about the men and machine numbers that we were given at that time."

These are "some technical problems" with START treaty, which is "pretty close to final," he said.

However, he said that the United States is not going to make any linkage between the START treaty and the CFE, known as the conventional arms pact, signed by 34 nations at a summit in Paris last November.

"We're just saying that we want to resolve all the discrepancies before we complete the start negotiation," he added.

"We are still planning to hold the summit in the Soviet Union in February," he said.

A Soviet official reportedly said he expected the meetings to take place as scheduled and that from Moscow's view, the only possible reason for a postponement would be delays in reaching a strategic arms agreement.

Referring to the reported dispatch of Soviet troops to the Baltic republics of the Soviet Union, Fitzwater said that the United States has raised its concern about the development with the Soviet Union.

He said that the United States has reiterated its policy on the Baltic republics which "supports the aspirations of the Baltic people to control and determine their own future."

### **Soviet Union**

#### **Soviet Trade Union Delegation Visits PRC**

OW0801051091 Beijing in Russian to the USSR  
1900 GMT 2 Jan 91

[Text] A Soviet delegation, headed by Shcherbakov, chairman of the All-Union Central Council of Trade Unions of the USSR, was in China on a friendly visit from 8 to 15 December at the invitation of the All-China Federation of Trade Unions.

During the visit, the Soviet guests visited Beijing, Guangzhou, Shanghai, and Shenzhen, and were very cordially and warmly welcomed everywhere they went. Before departing for their homeland, our correspondents had this interview with Chairman Shcherbakov, this is what he had to say:

[Begin Shcherbakov recording] Well, I can say that our meetings with the Chinese trade union leaders were very interesting. We had many meetings and discussions with Comrade Ni Zhifu, on the most varied topics, the basic thrust of which was our cooperation, our mutual relations, and the future of the trade union movement both in our countries and in (the international trade union) movement, and the role of the trade union movements of the Soviet Union and China. I would like to note the



mutual understanding which became evident, in recent times, in relations between our trade unions. It can be said unequivocally that the ties between the trade unions of the Soviet Union and China will develop at a very fast pace in the near future.

Our meeting with Vice Premier Comrade Wu Xueqian, was very interesting. A very pithy, interesting, informative discussion was held on the progress of economic reforms and the PRC's recent achievements. We had very interesting meetings in Guangzhou and Shenzhen with trade union leaders, leaders of trade union organizations in enterprises, and executive personnel. This included the glass manufacturing plant, where the proprietors are American; the factory was built with their funds. We were interested in living and working conditions, aspects of safety equipment, job security, and wages. We received detailed answers and saw how many problems are solved.

Similarly, we had interesting meetings at the plant built with Japanese assistance, by the [name indistinct] company. Japanese specialists organized the technological processes. The specialists told us about working conditions and wages. Many questions were of interest to us and we received detailed answers everywhere.

We had very detailed, interesting meetings at the machine tools plant in Shanghai, where we had many questions on the prospects of development of this plant. I was doubly interested because I too, worked in a machine-building plant in our country and, of course, it was interesting for me to see how the Chinese comrades solved these problems. [end recording]

To the question of how he views the work of the Chinese trade unions, he replied:

[Begin Shcherbakov recording] The thing is, all our comrades in the delegation of course were excited and interested, not only in the trade union work, but in daily life and living conditions, in how many economic problems were being solved, and, of course, trade union work. We liked the skill, persistence, and the energy and principled approach of trade union leaders in defending the interests of the working people. Joint enterprises and enterprises that belong to foreign investors particularly interested us. We were very excited by the commitment of trade unions in defending economic and social interests of working people, which shows that trade unions are the power that can contribute to the rapid development of the economy, and, of course, to the rapid improvement in the standard of living of workers. We saw (?all of this) graphically, and we saw the results—both economically and the results of defending the interests of workers in the trade union organizations in the Guangzhou Free Zone and the city of Shenzhen. [end recording]

Dwelling on the prospects of the development of cooperation between the trade union organizations of the two countries, Shcherbakov said:

[Begin Shcherbakov recording] In recent years, cooperation between the trade unions of China and the Soviet Union has begun to develop actively. I consider that, currently, we have made only the initial steps, and the development of cooperation between the trade unions of China and the Soviet Union could promote a more intensive cooperation on the economic level. Now, cooperation on the economic level and trade between the Soviet Union and China will promote an increase in the standard of living of workers. Undoubtedly the trade unions will assist in every way these relations and mutual understanding so that the industrialists of China and of Soviet Union can as quickly as possible find themselves. The possibilities of mutual understanding... [changes thought] Let me illustrate it this way, that, in the near future, visiting delegations should include in them economists, industrialists, [words indistinct] who could, as quickly as possible, realize the possibilities of mutual cooperation.

We discussed in detail the possibilities of cooperation in tourism. In the Soviet Union, the trade unions are engaged, and they should be engaged intensively, in the tourist business, and they could cooperate more broadly, or rather on a very wide plane, with their Chinese comrades. We have this in view and a mutual understanding exists, and there is the desire for it on both sides. [end recording]

In conclusion, our correspondents asked Shcherbakov to tell us what made the deepest impression on him in China. He said:

[Begin Shcherbakov recording] The main impression was the very serious success of the Chinese people in recent years, namely in the 1980's, in reforming their economy, and the fact that China could independently ensure the solution to its food problems at the current stage. The Chinese economy was able to saturate the consumer market in a very short time. I think that is a major achievement for China. Certainly it is astonishing to see the transformations occurring among the peasants. [Words indistinct] I had no inkling that, in the agricultural sphere, such rapid construction of housing was going on, and not only housing, but also cottages and villas, and in such enormous numbers. The whole of China is building—the whole of China. Wherever we have been, the country is one huge construction site. The country is living for tomorrow and believes in tomorrow. The tempo of economic development, and particularly, of course, the tempo of construction—we were fortunate to see, and be amazed by such a tempo—speak of a big future for this great country and its great people. [end recording]

#### **Shevardnadze 'Might Remain' as Foreign Minister**

OW0801025591 Beijing XINHUA in English  
0237 GMT 8 Jan 91

[Text] Moscow, January 7 (XINHUA)—Newly-elected Soviet Vice President Gennadiy Yanayev indicated today that Foreign Minister Eduard Shevardnadze might remain in his post.

Yanayev, who is participating in a Soviet-American conference on parliamentary democracy and constitutionalism which opened in Moscow today, answered questions from reporters during an interval between sessions, the official TASS NEWS AGENCY reported.

Asked what he thought about the West's speculations on possible candidates for the post of foreign minister, Yanayev noted: "Speaking about policy and personnel issues, I have never and nowhere said that there would be a new foreign minister.

"Why do you preclude a chance of Shevardnadze remaining the foreign minister?" TASS quoted Yanayev as saying.

An article on Soviet-U.S. relations written by two TASS diplomatic correspondents said today it was possible for Shevardnadze to remain in his job until February 11 when U.S. President George Bush will begin his official visit to the Soviet Union.

"Favorable relations between politicians are indeed very important. Needless to say, many people hope—at least until February 11—that U.S. Secretary of State James Baker's companion remains Shevardnadze," the article said.

Shevardnadze announced his resignation on December 20 at the 4th Soviet Congress of People's Deputies. His aids quoted him as saying his decision was "irreversible."

**Shevardnadze Meets Ambassador Concerning Weapons**  
*OW0701192891 Beijing XINHUA in English*  
1843 GMT 7 Jan 91

[Text] Moscow, January 7 (XINHUA)—Soviet Foreign Minister Eduard Shevardnadze met U.S. Ambassador Jack Matlock here today to discuss the preparations for an agreement on cutting strategic offensive weapons, TASS reported.

The official news agency said the U.S. ambassador to the Soviet Union handed over to Shevardnadze a letter from U.S. Secretary of State James Baker, but gave no details.

According to diplomats here, the arms reduction agreement is expected to be signed at a Soviet-U.S. summit scheduled for the middle February.

**USSR Oblast Delegation Visits Hebei**  
*SK0801022891 Shijiazhuang Hebei Provincial*  
*Service in Mandarin 2300 GMT 19 Nov 90*

[Text] Song Shuhua, provincial vice governor, met a delegation from the Irkutsk Oblast of the Soviet Union led by Potapov, people's deputy of the Irkutsk Oblast and chairman of the Soviet Executive Committee of the Oblast, at noon on 19 November. The delegation came to our province during its visit to China at the invitation of the China General Company of Materials for Civilian Use.

During the meeting, Song Shuhua explained to the Soviet guests China's and the province's reform and opening up. He said: The people of China and the Soviet Union have a profound friendship. Hebei has also established friendly ties with many cities of the Soviet Union, and much progress has been made in many fields of cooperation.

He said: Our province has developed fairly well agriculture, animal husbandry, textiles, and medical industry, while Irkutsk Oblast has abundant petroleum and timber resources. Supplementing each other with their respective strong points, they will have vast prospects for cooperation.

Potapov, leader of the delegation, also introduced the outstanding geographical position and resources of Irkutsk Oblast. He hoped, that based on their friendship, both sides will advance hand in hand.

Later, Song Shuhua and the delegation leader Potapov signed a summary of the meeting on behalf of their respective province and oblast. They expressed great interest in developing long-term economic and trade cooperation.

During its visit, the Soviet delegation will hold talks with the provincial import-export trade corporation on barter trade and economic cooperation.

**Heilongjiang Increases Trade With USSR**  
*OW0201192291 Beijing XINHUA in English*  
1504 GMT 2 Jan 91

[Text] Harbin, January 2 (XINHUA)—Border trade between northeast China's Heilongjiang Province and the Soviet Union has continued to rise since its resumption in 1983.

Trade volume reached 590 million Swiss francs in 1899 and continued the rise to 600 million Swiss francs in the first 11 months of 1990.

An official from the province's border trade administration said that trade has expanded to provinces in inland China over the past two years.

Heilongjiang exports over 3,000 types of goods including light industrial products, electronics, machinery and equipment, farm produce and by-products to the Soviet Union, while at the same time importing over 100 Soviet products including chemical fertilizer, timber, paper pulp, rolled steel and cement.

Technological co-operation between the two sides is also in full swing. In the first 11 months of 1990, the over 200 projects carried out doubled last year's number.

During the 11 months, the province sent over 10,000 people to the Soviet Union to perform labor services in co-operative projects covering such fields as logging, engineering construction, agriculture and joint-ventures.



**Gorbachev Issues Decree To End Georgia Conflicts***OW0801074691 Beijing XINHUA in English  
0710 GMT 8 Jan 91*

[Text] Moscow, January 7 (XINHUA)—Soviet President Mikhail Gorbachev today again used his newly-gained vast powers to demand an end to the ethnic conflicts in the Georgian Republic.

In a presidential decree, the second of its kind on ethnic conflicts, Gorbachev declared null and void both the self-claimed founding of an independent republic by the region of South-Ossetia and the subsequent counter-measures by the Georgian authorities.

South-Ossetia, an autonomous region in Georgia, declared itself a republic in September last year, which was followed by the dissolution of the autonomous region and the imposition there of a curfew and a state of emergency by the Georgian authorities.

The presidential decree ordered all armed groups other than interior troops to leave South-Ossetia within three days. It also asked the Georgian authorities to abide by clauses guaranteeing the constitutional rights of the South-Ossetian people.

Gorbachev also demanded that the Georgian authorities report to him within five days on the steps taken to normalize the situation.

His previous similar decree was issued in December over breakaway moves in the Moldova Republic.

**Sino-Soviet Symposium on Space Science Opens***OW0701155291 Beijing XINHUA in English  
1457 GMT 7 Jan 91*

[Text] Harbin, January 7 (XINHUA)—The first Sino-Soviet Symposium on Space Science and Technology was held at the Harbin Industrial University, in this capital of northeast China's Heilongjiang Province, today.

Attending the symposium were 138 Chinese and 36 Soviet experts in astronavigation. They presented over 150 papers on various subjects, including carrier technology, space dynamics, space electronics, materials for space navigation, micro-gravity hydrokinetics, and equipment and meters for astronavigation.

The symposium was sponsored by the Harbin Industrial University, the No. 1 and No. 5 Institutes under the Ministry of the Aerospace Industry, the Northwest China Industrial University and the State Natural Science Fund.

**Heishantou, Shiwei Ports Open to Soviet Union***SK0701134391 Hohhot Inner Mongolia Regional  
Service in Mandarin 2300 GMT 6 Jan 91*

[Text] With the approval of the State Council, the two ports of Heishantou and Shiwei, which are located on the

east bank of Ergun He within the boundaries of the Inner Mongolia Region, will be formally opened to the Soviet Union beginning on 1 January this year.

In these two ports, goods can be delivered by trucks on the ice in winter and by ship in summer. Thus, these two ports have fine conditions for developing foreign trade.

To accommodate the work of opening these two ports, the state has already established at these two ports the administrations of navigational matters supervision, customs houses, frontier defense, sanitary inspection, commodities inspection, animal quarantine, and other foreign affairs.

**Soviet Union Fails To Fulfill Conscription Plan***OW0801074091 Beijing XINHUA in English  
0707 GMT 8 Jan 91*

[Text] Moscow, January 7 (XINHUA)—The Soviet Union failed to fulfill its autumn conscription plan while only about 78.8 percent of the conscription has been drafted up to the new year, according to a Soviet Defense Ministry press release today.

Among those who failed to fulfill the plan, republics of Georgia, Lithuania, Estonia, Latvia, Armenia and Moldova have drafted only 10 to 59 percent of their plans. Some areas in the Republic of Ukraine have also failed to fulfill the plan.

The Defense Ministry expressed its concern over the failing, saying that neglect by the republics will produce negative influence on the establishment of the armed forces and will threaten national defense.

The ministry responded by issuing orders to military regions concerned to assist the conscription work to fulfill the plan.

Meanwhile, the Soviet Defense Ministry has sent thousands of paratroops to seven troubled republics, including the three breakaway Baltic republics of Latvia, Lithuania and Estonia, to help enforce the implementation of the military draft, according to the Soviet television.

**Soviets in Somalia Evacuated by Americans***OW0701175191 Beijing XINHUA in English  
1638 GMT 7 Jan 91*

[Text] Moscow, January 7 (XINHUA)—All remaining Soviet citizens were evacuated from the Somali capital of Mogadishu on Sunday with the help of the U.S. military, the TASS News Agency reported today.

Soviet evacuation planes were unable to land at the Mogadishu Airport due to ongoing fierce clashes centered in the area between troops loyal to President Mohamed Said Barre and rebels from the Somali congress, TASS said.

The Soviets, who appear to be in good health, are now aboard the American Navy helicopter carrier "Guam" which is bound for Muscat, capital of Oman, according to the TASS report.

Along with the Soviet citizens, Americans, Germans, Britons and the nationals from several Arab and African states made the journey to safety.

Aside from the fact that elements of the United States Marine Corps were involved, TASS gave no details on the rescue mission.

### Northeast Asia

#### Finance Minister Hashimoto Arrives in Beijing

OW0801114491 Tokyo KYODO in English 1136 GMT  
8 Jan 91

[Text] Beijing, Jan. 8 KYODO—Japan's Finance Minister Ryutaro Hashimoto arrived in Beijing Tuesday afternoon to meet with Premier Li Peng, Finance Minister Wang Bingqian and other Chinese leaders during his four-day visit.

Barring then Education Minister Kosuke Hori's visit to Beijing in September last year to attend the opening ceremony of the Asian Games, Hashimoto is the first Japanese cabinet minister to visit here since the military crackdown on pro-democracy demonstrators in Beijing's Tiananmen Square in June 1989.

Hashimoto is to meet with Li and Wang on Wednesday to discuss economic cooperation between the two nations, his aides said.

Hashimoto believes that China must proceed further with its reform plans, including its open-door policies, to resume its role in the international economic community, they said.

Thus, he is expected to talk to Li to see how far he plans to take the reform process.

It will be Li's first meeting with a Western or Japanese top-ranking official since the Chinese Communist Party's Central Committee plenary meeting late last year.

Hashimoto will arrive back in Tokyo Friday night after meeting with State Planning Commission Minister Zou Jiahua on Thursday.

#### Kaifu Concerned About Tokyo-Moscow Rapprochement

OW0701175291 Beijing XINHUA in English  
1642 GMT 7 Jan 91

[Text] Tokyo, January 7 (XINHUA)—Japanese Prime Minister Toshiki Kaifu will devote himself to understanding the political reform in the Soviet Union and improving Japan-Soviet relations following the year-end cabinet reshuffle, a well-placed minister said here today.

The Chief Cabinet Secretary Misoji Sakamoto told reporters that the prime minister will accomplish these and other duties without consideration of his term of office, which expires in October this year.

Touching upon Soviet President Mikhail Gorbachev's upcoming visit to Japan scheduled for April, Sakamoto expressed his strong desire for a settlement of the four decade territorial dispute between the two nations.

Meanwhile, Man Sasaki, director general of the Management and Coordination Agency, told reporters here today that he will urge Prime Minister Kaifu to inspect the four Soviet-held islands off northern Japan before President Gorbachev's visit.

His visit would be of great importance in resolving the territorial dispute, he said.

Japan has demanded the return of the four islands—Shikotan, Etorofu, Kunashiri, and the Habomai group—which have been occupied by the Soviet Union since the end of World War Two.

#### DPRK Not To Recognize South General as Leader

SK0601115891 Beijing International Service  
in Korean 1100 GMT 5 Jan 91

[Text] Major General Choe Ui-ung, senior member of the Korean-Chinese side to the Military Armistice Commission [MAC] of Korea said on 3 January that the South Korean Armed Forces side is not qualified to assume the responsibility of the UN forces side's senior member to the MAC of Korea. Major General Choe Ui-ung said this in a press statement that was given to a Korean Central News Agency reporter in connection with the fact that the United States recently announced that it would transfer the post of the UN forces side's senior member to the Military Armistice Commission of Korea to a South Korean general. He said that the Korean Armistice Agreement was signed by the Korean People's Army and the Chinese People's Volunteers [CPV], on one side, and the UN forces on the other. Because the South Korean forces are not a signatory to the Armistice Agreement and does not belong to the UN forces, a South Korean general is not qualified to become the representative of the UN forces side. The Korean-Chinese side will never approve of the appointment of a South Korean officer as the senior member of the UN forces.

#### No Tae-u Meets USSR's Rogachev in Seoul

OW0701151191 Beijing XINHUA in English  
1316 GMT 7 Jan 91

[Text] Pyongyang, January 7 (XINHUA)—South Korean President No Tae-u held a meeting in Seoul today with Igor Rogachev, the Soviet Union's deputy foreign minister and special envoy of President Mikhail Gorbachev, according to Seoul radio.

The report said topics on their agenda included the state of relations between the two parts of the divided peninsula, recent developments in Northeast Asia and bilateral economic cooperation.

Seoul radio also disclosed that Rogachev gave No a personal letter from Gorbachev. In the missive Gorbachev explained his viewpoint on the subject of Korean reunification. The letter also touched on the Soviet president's upcoming visit to South Korea scheduled for later this year as well as economic cooperation between the Soviet Union and South Korea.

Rogachev and a 12-member entourage arrived in Seoul Sunday for a three-day visit. During his stay Rogachev is expected to participate in the first ever Soviet-South Korean policy symposium. In addition, the Soviet envoy will meet with acting South Korean Prime Minister No Chai-pong and Foreign Minister Lee Sang-ok.

#### **'No Headway' Noted in North-South Korean Talks**

HK0401135591 Hong Kong LIAOWANG OVERSEAS EDITION in Chinese No 52, 24 Dec 90 pp 26-27

["Special dispatch" by Zhang Jin (1728 6930): "Korea's Third North-South Talks Are Making No Headway"]

[Text] Pyongyang—Korean Premier Yon Hyong-muk and South Korean Prime Minister Kang Yong-hun held talks again in Seoul from 11 to 14 December in an effort to sign a "declaration on mutual nonaggression" and resolve other major issues concerning North-South relations. But the talks ended without any detailed agreement because both sides held different opinions. The results of the talks indicated that the realization of peace and peaceful reunification on the Korean Peninsula will take a prolonged process, and the North and South prime ministers have heavy tasks to undertake in their talks.

During their talks, Yon Hyong-muk and Kang Yong-hun entered into a fierce debate over the signing of a "declaration on mutual nonaggression." Yon Hyong-muk favored the signing of this declaration to end the political and military confrontation on the Korean Peninsula, whereas Kang Yong-hun insisted on the signing of a "basic agreement on improving South-North relations" before considering the signing of the declaration. The two prime ministers stuck to their different positions in their two rounds of talks, thus no compromise was made.

Originally, during their second round of talks in Pyongyang in October, the two prime ministers reached a consensus on eliminating the political and military confrontation on the Korean Peninsula. At the talks, Yon Hyong-muk proposed a draft "declaration on mutual nonaggression," which embodied the North stand and took account of the South interests. Kang Yong-hun and the South delegation expressed an interest in this draft declaration, pointing out that the North had taken a "turning" attitude, and promising to seriously study it. The North also absorbed many parts of the draft "common declaration on conciliation and cooperation"

submitted to the second round of talks by the South. But a month later, the South attitude turned strong. Kang Yong-hun repeatedly said that a "basic agreement" should be signed first, otherwise the "declaration on mutual nonaggression" would be of no practical significance. The "declaration on mutual nonaggression" should be submitted to a political and military commission set up after the signing of the "basic agreement."

Yon Hyong-muk stressed, the North hoped to sign the "declaration on mutual nonaggression" because there is a serious political and military confrontation on the Korean Peninsula; politically both sides hold a hostile attitude toward each other and do not trust each other; militarily they confront each other with guns and artillery. The signing of the "declaration on mutual nonaggression" would help both sides build up their confidence, remove their mental fear, and lay a foundation for the settlement of other problems. But Kang Yong-hun stressed that both sides should first carry out cooperation and exchanges before signing the declaration. The cooperation and exchanges he proposed included restoring their Red Cross negotiations to make arrangements for a gathering of separated families and relatives; exchanging home-town delegations, and conducting South-North economic exchanges and direct trade. In his opinion, the South and the North would be able to form mutual trust through cooperation and exchanges, and this would add a practical meaning to the "declaration on mutual nonaggression." Yon Hyong-muk did not rule out the possibility of cooperation and exchanges but pointed out that it would be impossible to conduct genuine cooperation and exchanges without signing the "declaration on mutual nonaggression" and eliminating their political and military confrontation.

Comparing the declaration with the draft agreement, there are many points in common between the North and the South. Both sides agreed on recognizing each other's system, on not resorting to arms, on resolving their dispute by peaceful means, on turning the militarized zone into a demilitarized and peace zone, on installing a direct telephone line between the two military authorities to prevent occasional armed clashes, on stopping offensive propaganda from both sides, and on carrying out free contacts and exchanges between the South and the North. The North also absorbed the South's terms on restoring traffic and telecommunications and carrying out economic cooperation and commodity exchanges. Both sides' opinions were quite close on the contents of the declaration and agreement, except for their names and forms. A consensus could be reached by removing some obstacles only. But their basic stand formed a striking contrast to their common points: The North hoped to take the federal system as the basis of peaceful reunification whereas the South tried to follow East and West Germany in signing a "basic agreement" before bringing about reunification.

The signing of the "declaration on mutual nonaggression" was initiated by the South as early as the Park



Chong-hee administration. Last year No Tae-u mentioned the signing of this declaration again during a speech to a UN General Assembly session.

There are some reasons which the South finds it inconvenient to explain for delaying the signing of the "declaration on mutual nonaggression." The first is that it fears the declaration might involve the withdrawal of U.S. troops from South Korea. During their talks last time, Kang Yong-hun said the declaration should not involve any treaty or agreement signed by either the North or the South with a third country. This showed his concern. According to the "common defense treaty" signed between the United States and South Korea in 1954, U.S. troops were stationed in South Korea to "protect South Korea's security." If the North and the South commit themselves to mutual nonaggression, the U.S. troops, which constitute a "force for containment," will not have any pretext to stay in South Korea. Therefore South Korea dare not act rashly without U.S. approval. The second point is that the normalization of Korean-Japanese relations has got on South Korea's nerves. South Korea wants to contain it by delaying the signing of the declaration. South Korea is worried that the normalization of Korean-Japanese relations will harm its "security and interests." On several occasions it raised five preconditions to the Japanese Government on the normalization of Korean-Japanese relations. Among other things, these preconditions demand that Japan should not allow the North to use for military purposes the war compensation it will provide and that the North should not be permitted to join a nuclear security agreement. South Korea expressed the hope that Japanese Prime Minister Kaifu will agree to these five preconditions during his visit to Seoul in January next year. Obviously, South Korea will not consider the signing of the declaration until Kaifu's visit to Seoul.

The third round of talks between the North and South prime ministers did not yield any results, but both sides still pin their hopes on the fourth round of talks to be held in Pyongyang in the second half of February next year. Since there many points in common, the outcome of their fourth round of talks will depend on the dialogue attitude of both sides. In their third round of talks, Yon Hyong-muk pointed out that they would make progress in their prime ministerial talks only with a sincere and trustworthy attitude.

#### **Mongolian President's U.S. Trip To Boost Ties**

OW0801021291 Beijing XINHUA in English  
0119 GMT 8 Jan 91

[Text] Washington, January 7 (XINHUA)—Mongolian President Punsalmaagiyn Ochirbat will pay an official working visit to the United States on January 23, the White House announced today.

During his two-day stay here, President Punsalmaagiyn will meet U.S. President George Bush.

This is the first visit to the United States by a Mongolian head of state since the two countries established diplomatic ties in 1987.

U.S. officials declined to give any background information on the visit. But an official at the Mongolian Embassy here told XINHUA that the coming trip by the Mongolian president is designed to strengthen bilateral relations between the two countries.

The official said that leaders of the two countries will discuss bilateral issues, "particularly the economic, financial and trade issues," while exchanging views on other matters.

He said that President Punsalmaagiyn will also meet U.S. secretary of commerce, president of the World Bank and managing director of the International Monetary Fund.

Relations between the two countries have been improved over the last two years since the radical changes took place in the former Soviet allied countries. Last August, U.S. Secretary of State James Baker visited Mongolia.

The White House also announced today that Queen Margrethe II of Denmark will pay her first state visit to the United States on February 10-22. She will meet Bush on February 20.

### **Southeast Asia & Pacific**

#### **Sihanouk Criticizes Hun Sen-Heng Samrin Group**

OW0701163691 Beijing XINHUA in English  
1626 GMT 7 Jan 91

[Text] Beijing, January 7 (XINHUA)—Cambodian President Norodom Sihanouk issued a statement here on Sunday criticizing the Hun Sen-Heng Samrin group for refusing to accept the peace process proposed by the secretary-general and Security Council permanent members of the United Nations.

As for why the Phnom Penh regime tries to hamper the restoration of peace in Cambodia, Sihanouk cited three reasons in the statement:

1. Vietnam and the Phnom Penh regime are not willing to restore Cambodia's border lines, as they were before the Lon Nol coup in 1970. This is because they have changed the boundaries in recent years in favor of Vietnam;

2. Currently, there are 1.5 million illegal Vietnamese immigrants, more than 100,000 Vietnamese militiamen disguised as villagers, more than 10,000 military "advisors" and "technical personnel" and more than 40,000 Vietnamese soldiers fighting against the Cambodian resistance in the country;

3. The Vietnamese Government has no intention of giving up the Vietnamization and colonization of Cambodia, and will not accept any opposition of its "Indo-China Federation" scheme. Therefore, it has to make all-out efforts to vilify Sihanouk and the resistance, along with attempts to delay their involvement in the peace process and a normal life of Cambodia.

Sihanouk said the possibility of a political, peaceful coexistence between the resistance and the Phnom Penh regime lies in the satisfaction of the following three conditions:

1. Vietnamese colonialism is given up;
2. "Sacred unity" is fulfilled so as to restore and safeguard the national independence and territorial integrity of Cambodia (as it was in 1969);
3. Respects are paid to human rights and the sovereignty of all the Cambodian people.

#### Radio Commentary Studies Cambodian Issue

OW0801043191 Beijing International Service  
in Mandarin 0900 GMT 6 Jan 91

[Station Commentary: "There is Still Hope, Despite Numerous Obstacles"]

[Text] In 1990, the world situation experienced significant changes; however, the Cambodian issue was still one of the world's hot topics. Centering on the basic principle that the Cambodian political issue must be settled comprehensively, the international community made a number of efforts for peace over the past year. China, the Soviet Union, the United States, Britain, and France, the five permanent members of the UN Security Council, frequently held consultations [cuoshang]. The UN General Assembly adopted another resolution. The Association of Southeast Asian Nations [ASEAN] and China made vigorous mediating efforts. Leaders of the four factions of the Cambodian conflict also made extensive contacts. All these efforts not only maintained the momentum for political settlement, but also advanced the efforts for political settlement into a new phase.

During the past year, the course for peaceful settlement of the Cambodian issue reflected this characteristic: Hopes were intermingled with difficulties, and the momentum for political settlement always developed positively.

1. The international community had made unprecedentedly arduous efforts to seek a reasonable way for comprehensive political settlement. The Cambodian issue, resulting from Vietnamese aggression, has remained unresolved for 12 years. The root cause is that Vietnam and the Phnom Penh authorities were not sincere in seeking a political settlement.

To break the impasse of the Cambodian issue and seek a reasonable plan acceptable to all factions, the five permanent members of the UN Security Council successively held six rounds of arduous consultations in Paris and New York from January to August 1990. After conscientious discussions and consultations, they had eventually reached consensus on five important documents on a political settlement of the Cambodian issue, thus formulating a package plan for comprehensively settling the Cambodian issue. These five documents included military arrangements, administration during the transitional period, elections under the sponsorship of the United Nations, protection of human rights, and an international guarantee of Cambodian sovereignty and territorial integrity. Because these five documents had been formulated after accepting reasonable proposals from various quarters, they created favorable conditions for the Cambodia's four factions to reach agreement at a conference in Jakarta.

Meanwhile, China and the ASEAN continued to play an important role. Opposing the Vietnamese invasion and occupation of Cambodia and seeking a political settlement of the Cambodian issue have been the consistent, principled position of the ASEAN. In February and March 1990, the ASEAN countries held a third conference on the Cambodian issue in Jakarta and invited Cambodia's four factions to participate. Because of Vietnamese and Phnom Penh obstruction, the conference did not reach any agreement.

In July, after the United States suddenly announced its withdrawal of recognition of the UN seat of the Coalition Government of Democratic Kampuchea [CGDK], the ASEAN countries held another conference of foreign ministers in Jakarta to discuss the Cambodian issue. The conference reiterated that the ASEAN countries would continue to seek a comprehensive political settlement of the Cambodian issue and objected to vacating the CGDK's seat in the UN. In September, the ASEAN countries and the United States held a dialogue-meeting [duihua huiyi] in Bangkok, urging the various Cambodian factions to cooperate with the UN Security Council to establish the Supreme National Council [SNC] as soon as possible.

In addition, since the beginning of last year, China and Vietnam have held several talks on the Cambodian issue. The Chinese side has stressed that the crucial obstacle to the normalization of the Sino-Vietnamese relations was the Cambodian issue.

During his visit to Southeast Asian countries last year, Premier Li Peng and the leaders of these countries thoroughly exchanged views and coordinated their stances on the Cambodian issue. These diplomatic efforts were conducive to advancing the process of political settlement of that issue.

2. The Cambodian SNC was established, a breakthrough in seeking a solution to the Cambodian issue. Since the

beginning of last year, the three factions of the Cambodian National Resistance Forces, united and cooperating with one another, have supported the guidelines laid down in the documents of the five permanent members of the UN Security Council. They were also flexible on important issues and enthusiastically advanced the process for a peaceful settlement.

In September, on the eve of the Jakarta conference, the factions of the Cambodian National Resistance Forces made compromises in consideration of the overall situation. They gave up the plan that the SNC would be formed of five representatives from each of the four factions. Instead, they accepted a plan that the SNC seats would be shared equally by the Phnom Penh Regime and the resistance forces. As a result, the four factions eventually reached agreement at the Jakarta conference, and the Cambodian SNC was established.

In their joint statement, the four Cambodian factions said: We accept the documents adopted by the five permanent members of the UN Security Council and will use these documents as the basis for solving the Cambodian issue, and the establishment of the Cambodian SNC will constitute a crucial step toward the political settlement of that issue. This achievement at the Jakarta conference is of particular significance for realizing Cambodian national reconciliation and maintaining peace and stability in Cambodia.

3. The timing for politically settling the Cambodian issue was gradually ripening; however, there were still difficulties and obstacles in the peace process. According to the framework documents of the UN Security Council, once the Cambodian SNC began normal operations, the Cambodian issue would be basically solved. When the international community, full of hopes, was waiting for the Cambodian SNC to play the role of the sole legitimate organization during the transitional period in Cambodia, the Phnom Penh Regime raised new issues. The regime was unreasonably entangled on the candidate for the Cambodian SNC chairman, rejecting Prince Sihanouk as chairman, thereby obstructing the peace process. Recently, the regime even expressed its refusal to recognize the agreement reached by the four Cambodian factions at the Jakarta conference. This was a further retrogression by the Phnom Penh Regime for politically settling the Cambodian issue.

Faced with another stalemate in the political settlement of the Cambodian issue, the five permanent members of the UN Security Council and the international community were very worried. They held two work meetings on the Cambodian issue in Jakarta and Paris in early and late November, urging the various Cambodian factions to ensure the normal operation of the Cambodian SNC to expedite the resumption of the Paris International Conference on Cambodia as soon as possible. The Phnom Penh regime should proceed from the great cause of the Cambodian nation and take a realistic attitude, it

should not create any more difficulties, and it should adopt a positive stance on the peace process in Cambodia.

It can be expected that new difficulties and obstacles will still appear in the course of politically settling the Cambodian issue; however, as long as the international community and the various Cambodian factions join in the efforts, national reconciliation will definitely materialize at the earliest possible date within the framework of the package solution worked out by the five permanent members of the UN Security Council, to attain an early comprehensive political settlement of the Cambodian issue in a fair and reasonable manner.

#### Article Views Peace Process as 'Irreversible'

HK0501062491 Guangzhou YANGCHENG WANBAO  
in Chinese 31 Dec 90 p 2

["Yearender" by Cai Ximei (5591 6932 2734): "Cambodia's Peace Trend Is Irreversible"—"XINHUA article exclusively for this paper"]

[Text] In 1990, the international community and the three parties in the Cambodian national government have made unremitting efforts to end the 12-year-old war and have attained a major achievement. As Indonesian Foreign Minister Ali Alatas recently put it, "The Cambodian issue has taken an irreversible road of peace." This major achievement finds chief expression in two aspects—namely, the agreed documents for a political solution officially put forward by the Security Council and the joint communique reached in Jakarta by the four parties in the Cambodian conflict.

Since the Paris international conference on the Cambodian issue announced its recess last August because of obstructions from Vietnam and Phnom Penh, the five major powers in the Security Council have, since January this year, held seven rounds of consultations on the Cambodian issue in Paris and New York. Last August, the big five reached a consensus on administrative and management arrangements in the transition period in Cambodia, military arrangements, the holding of general elections under UN auspices, protection of human rights, and international guarantee, and completed five documentary agreements which were submitted to the four parties in the Cambodian conflict for discussion.

On 10 September, France and Indonesia, the co-chairs of the Paris international conference, presided over Cambodia's quadripartite conference in Jakarta. At the meeting, the three parties in the Cambodian resistance forces made important concessions by giving up their demand for equal seats among the four parties. This enabled the meeting to reach agreement on two major issues—namely, the composition of Cambodia's Supreme National Council and acceptance of the documents of the big five as a basis for solution, and all the parties signed a joint communique. This represents a substantive step taken by Cambodia toward an all-around political solution of the conflict.



Before the ink in the Jakarta joint communique was dry, however, the Phnom Penh regime, supported by Vietnam, raised obstacles by rejecting Prince Sihanouk as chairman of the Supreme National Council to attain the aim of raising the asking price, prolonging the war, and protecting as far as possible its vested interest. Having insatiable desires, they again recently declared open opposition to the Security Council's proposal for resolving the Cambodian issue. Phnom Penh's "Prime Minister" Hun Sen and Vietnamese Foreign Minister Nguyen Co Thach even openly denounced time and again the UN peace proposal as an "infringement on Cambodia's state sovereignty and violation of the United Nations Charter," thus repudiating the joint communique in Jakarta. This serious regression on the part of Phnom Penh and Hanoi caused strong dissatisfaction among, and was denounced by, the international community.

On 21 and 22 December, the co-chairs of the Paris international conference reconvened the Cambodia's Supreme National Council meeting. Despite all manner of difficulties that he raised at the meeting, Hun Sen eventually had to indicate acceptance of the UN proposal as a framework for resolving the Cambodian issue, but he also claimed that the proposal should be revised in many ways.

From their performance, it is not hard to see that Phnom Penh and Vietnam still lack the sincerity to solve problems. The objection chiefly concentrated on their opposition to various issues, such as dissolving the present government, disarming the armed forces of all factions, and entrusting administrative power to UN administrative bodies, which are in fact the core parts of the UN proposal. Therefore, if Phnom Penh and Hanoi had formerly accepted the proposal in word but opposed it in deeds, they then recently went further to declare their open opposition. As it is now, Phnom Penh and Hanoi will not easily soften their positions; the international community must still continue to exert strong pressure, and the Cambodian resistance forces still must keep up their struggle.

#### **Cancellation of Li Peng Visit 'Fabrication'**

*HK0801042691 Hong Kong TA KUNG PAO in Chinese  
8 Jan 91 p 1*

["Reports on the Cancellation of Li Peng's Visit to Thailand Are Sheer Fiction"]

[Text] Fan Fu, AGENCE FRANCE PRESSE [AFP], and the Taiwan CENTRAL NEWS AGENCY [CNA], each carried a strange report several days ago. An AFP report from Bangkok on 2 January said Chinese Premier Li Peng had canceled his visit to Thailand scheduled for early January. This report quoted a Thai Government official as saying that the reason for the cancellation was unknown. On 4 January, HSIANG KANG SHIH PAO [Hong Kong Times] published a Taiwan CNA report

providing more inciting details on the AFP news dispatch. It asserted that Li Peng had canceled his mid-January visit to Thailand mainly because CPC internal problems remained unresolved. It also quoted unknown "political observers" as saying that the cancellation of Li Peng's visit had something to do with the just-concluded Seventh Plenary Session of the 13th CPC Central Committee; because this involved the stability of his position, he could not get away.

Readers with some political knowledge may sense something fishy about these two reports. The Seventh Plenary Session of the 13th CPC Central Committee concluded in Beijing not long ago. As a member of the Political Bureau Standing Committee, he attended the meeting together with other Political Bureau members. The communique of the Plenary Session announced: "The Plenary Session was presided over by the Political Bureau of the CPC Central Committee. Comrade Jiang Zemin made an important speech, and Comrade Li Peng provided explanations on the draft 'proposal.' Obviously Li Peng was one of the main figures at the Plenary Session. The assertion of a crisis in Li Peng's political position is absolutely ridiculous.

We inquired at the relevant department in Beijing: It was confirmed that no arrangements had been made for Li Peng to go overseas because he had only just concluded his tour to the four southeast Asian nations before the Seventh Plenary Session. Such being the case, the so-called cancellation of his visit to Thailand was sheer fabrication.

A routine practice of the Chinese Ministry of Foreign Affairs is this: Information will be released through the media on Chinese leaders' visits abroad or foreign leaders' visits to China; an announcement will also be made through the media on changes in Chinese leaders' visits. An example was the cancellation of Wan Li's visit to Britain because of his indisposition. If Li Peng really had planned to visit Thailand and then it was canceled, this would have been announced through the media; there was no need at all for AFP or the Taiwan CNA to look for an unknown "Thai Government official" or quote a "high-ranking official from the information department of the Thai prime minister's office" in announcing this "news."

#### **Thailand, SRV Postpone First Joint Summit**

*OW0801080391 Beijing XINHUA in English  
0636 GMT 8 Jan 91*

[Text] Bangkok, January 8 (XINHUA)—The first summit meeting between Thai Prime Minister Chatchai Chunhawan and his Vietnamese counterpart Do Muoi planned this month is likely to be rescheduled to February, a senior Foreign Ministry official said here on Monday.

The official was quoted by local press reports as saying that Thai foreign minister Athit Urairat planned to visit Hanoi to make arrangements for the summit some time

this month following his introductory trip to some ASEAN (Association of South East Asian Nations) countries between January 13 to 16.

The official said that Hanoi proposed January 22 as the convenient date to welcome Ahtit.

The summit meeting was scheduled to be held at the end of last year but postponed to January.

#### 'Yearender' on Challenges of New Thai Government

OW0701133591 Beijing XINHUA in English  
1300 GMT 7 Jan 91

["Yearender: New Thai Government Facing Tough Challenges (by Shao Linming)"]—XINHUA headline]

[Text] Bangkok, January 7 (XINHUA)—The new Thai Government formed by Thai Prime Minister Chatchai Chunhawan last month is facing tough challenges in the new year.

This is a common view among Thai political analysts here reviewing the country's situation in the past year.

Over the year, Prime Minister Chatchai had to reshuffle his cabinet three times. The first mini-reshuffle was on January 9, the second on August 27, and the latest on November 22, in which only minor changes were made.

But in those reshuffles, analysts here said, although Chatchai had fired several of his ministers on charge of corruption scandals and some outsiders had been brought in the cabinet, these were of no avail because of the crisis of public confidence.

Under pressure from all sides, Chatchai finally decided to make a new face for his government instead of partial reshuffles. He resigned on December 8, and was re-nominated and appointed again as prime minister the next day.

In the new coalition cabinet formed on December 14, former ruling parties the Democrat and the Social Action Parties were replaced by two former opposition parties, the Solidarity Party and Prachakon Thai party.

However, the current five-party coalition government with leader of the Chat Thai Party Chatchai Chunhawan as prime minister is faced with a host of old and new problems.

Firstly, how to improve its ties with the military. Observers here have pointed out that without strong military backing, Chatchai will find himself vulnerable.

Recently Thai Army Chief Suchinda Kraprayun has strongly criticized vote-buying by politicians which he said makes the present democratic system in Thailand "incomplete." Prime Minister Chatchai, in his New Year's address, pledged to tackle the problem of vote-buying.

However, the usual weekly breakfast meeting between the prime minister and the country's military leaders suspended recently has yet to be resumed.

Secondly, internal conflicts within the five-party ruling coalition, particularly within the Solidarity Party, has to be solved.

Cracks within the Solidarity Party, formerly the biggest opposition party and now the second largest party in the new coalition, over its participation in the new government, has already surfaced. This is seen from the fact that even after solidarity became part of the new government, solidarity member of parliament Busit Sophicha continued to attack Chatchai.

The new coalition government of Thailand will also face a major test in the house of representative this week when parliament reopens for a special session.

It was reported that the opposition (including former ruling parties the Social Action Party, the Democrat and Muanchon) is set to launch a wide broadside against the new ruling coalition when the house sits to hear the new government's policy statement on January 9.

One of the topics in which opposition MPs would grill the government would be police action against Solidarity Party MP Dusit Sopitcha after he attacked the prime minister.

Local press reports hold that in 1991 the new Chatchai coalition will face major political problems similar to those that distressed his previous coalition in 1990.

Other major problems the new government is expected to face this year include the continuing crisis in the Middle East that has left the country's fiscal managers with heavy hearts.

Thai Foreign Minister Ahtit Urairat's offer to send technicians to help maintain F-5 jet fighters in Saudi Arabia had also been criticized. The opposition attacked the offer as "inviting the war home."

There are also shadows loom over the Thai economy. A tight monetary situation is still persisting in the country, while consumer prices have risen and could rise further in the months ahead.

On the other hand, agricultural prices, particularly for rice, a major export commodity of Thailand, have dropped.

The government also faces demands from labor to increase the minimum wage—a matter that remains unresolved.

Analysts here believed that whether the prime minister could complete his term (which ends in mid-1992) will depend on the success or failure of his new coalition government's effort in settling the country's old and new problems.



**Indonesia, PRC To Discuss Satellite Plans***OW0701165791 Beijing XINHUA in English  
1633 GMT 7 Jan 91*

[Text] Singapore, January 7 (XINHUA)—Indonesia and China will hold talks in Jakarta on Indonesia's plan to use a Chinese Long March rocket to launch its communication satellite, "THE JAKARTA POST" reported today.

A delegation from China will arrive in Jakarta on January 15 to submit a proposal on the planned launching of Indonesia's Palapa B-4 in 1992, director of the state-owned telecommunications company (Perumtel) Cacuk Sudarjanto was quoted as saying in Bandung last weekend.

The possibility of using the Long March rocket to launch Palapa B-4 was discussed by President Suharto and President Yang Shangkun in Beijing last year when Suharto visited China, the newspaper said.

Indonesia's three American-made Palapa satellites were launched by American space shuttles because at that time Jakarta had no diplomatic ties with China.

France once offered to launch one of Indonesia's communication satellites with its Ariane rocket, it said.

Cacuk said China had such a good reputation in launching satellites that it had won contracts to launch nine of them up to 1994.

He said China charged far less than other countries capable of launching satellites.

**'Yearender' on Progress, Problems in Burma***OW0601165791 Beijing XINHUA in English  
1639 GMT 6 Jan 91*

["Yearender: Progress and Problems in Myanmar's Economy (by Chen Bingqi)"]—XINHUA headline]

[Text] Yangon, January 6 (XINHUA)—As a result of the open-door economic policy adopted by the military government, the number of foreign companies and partnerships in Myanmar [Burma] increased to 1,274 in 1990 from 453 in 1989, representing a near three-fold increase.

After taking over power in September 1988, the State Law and Order Restoration Council (SLORC) drew lessons from the past 26-year policy of seclusion which had resulted in a destitute domestic economy and began to turn to market economy.

Since then the military government has issued a number of laws and regulations regarding foreign investment, foreign trade and private enterprises. And an investment and commercial bank was set up to facilitate the development and operation of these private companies and businesses.

At the end of 1990 there were 672 limited companies, 77 foreign company branch offices and 525 partnerships in the country.

To utilize foreign investment, in 1990 Myanmar signed four oil and gas exploration and production contracts with foreign companies, bringing the total number to 10.

Myanmar also signed with Thai companies contracts for exploration and production of tin, coal and lead in Myanmar.

In the past year, Myanmar also formed various kinds of joint venture companies with some Asian and Western firms.

Myanmar abounds in timber resources and is one of the world's leading teak-producers. It has granted forest concessions to over 20 Thai companies for timber felling, from which the country can earn over 10 million U.S. dollars per year.

The country has granted to some countries fishing rights on Myanmar coastal fishing grounds, from which its annual income can reach about 20 million U.S. dollars.

At the same time, the number of private enterprises which are allowed to conduct domestic trade and export has quickly increased from over 600 in 1989 to 2,385 in 1990. They have played an important part in the export and import trade in 1990.

But the country still faces with stern difficulties in economy. It can not import more badly needed raw materials and spare parts because of the shortage of foreign exchange. There is also a shortage of fuel and electricity. As a result, only over 50 percent of enterprises and factories are in operation.

Prices for food and commodities are still on the rise. In the past two years and more, prices of meat, including pork and chicken, has doubled in Yangon, while the prices of vegetables have risen between 30 to 100 percent.

Politically, martial law and curfew are still in force state power is yet to be handed over to the party that had won the general election on May 27 last year and universities and colleges have remained closed for more than two years.

Some foreign businessmen who have signed agreements or contracts with Myanmar are now taking a wait-and-see attitude in their investments in view of the country's situation.

**Australian Businessman Discusses Expanding Trade***OW0701043491 Beijing XINHUA in English  
0151 GMT 7 Jan 91*

[Text] Shanghai, January 7 (XINHUA)—The economic and trade partnership between China and Australia has encouraging prospects, said an Australian businessman during a recent visit here.

Peter Just, chairman of the Just Australia China Holdings Ltd, made the remarks during his visit which was at the invitation of the country's State Science and Technology Commission.

In an interview with XINHUA, Just noted that the trade turnover between China and Australia has reached over 1 billion U.S. dollars, annually.

However, on China's part there has been an unfavorable trade balance reported to be over four billion U.S. dollars over the past five years.

According to Just, China's textile products, clothing, light industrial products, chemicals, cereals, oils and foodstuffs have gained great popularity in Australian markets. He added that Australia can in turn provide ore, paper, wool, grain, sugar and butter needed by China.

There are many ways in which the two countries can co-operate, according to Just. He pointed out that, Australia, even though it is a developed country, still remains relatively behind regarding its processing industry.

In order to make inroads into the Australian market, China still should make great efforts, he stressed. For example, businessmen in his country know little about China.

To alleviate this problem, an information company which will offer information services concerning China's trade, investment and project feasibility, is now being formed.

The chairman of Just Australia China Holdings Ltd also said that his company will continue to contribute to introducing more of China's products to markets in his country, just as it has been doing since it was founded in 1986. According to Just, this is the company's main objective.

## Near East & South Asia

### Foreign Ministry Official on Middle East Issues

OW0501220191 Beijing Domestic Service  
in Mandarin 0530 GMT 5 Jan 91

[Talk by Wang Changyi, director of the Department of West Asian and North African Affairs of the Ministry of Foreign Affairs; recorded—from the "International News and Current Events" program]

[Text] As the international situation relaxed, the situation in the Middle East, including the Gulf region, showed signs of positive changes in the last two years. Some hot-point issues moved toward the direction of political settlement. In 1990, however, a tense and turbulent situation again emerged in this region, making it the world's biggest hot-point area. This major change was both a reflection of the imbalance resulting from the relaxation of East-West relations and an outcome of the aggravation of the different kinds of contradictions in the Middle East. The Gulf crisis was the most critical

event in the Middle East in 1990. It was triggered by the Iraqi invasion and annexation of Kuwait. After the invasion, the United States quickly sent troops to the Gulf, creating a situation of serious military confrontation with Iraq. Currently, the United States and some other countries have sent more than 400,000 troops to the region, while Iraq deployed more than 500,000 troops. Confrontation like this has rarely been seen since World War II, in terms of its size, its complex nature, and the degree of intensity. It has become the focus of international attention. The Gulf crisis is now at a critical moment with the danger of war approaching. At the same time, efforts to seek a political settlement also intensified.

Our government's stand has been very clear since the start of the Gulf crisis. We insist on two principles. First, we hold that the Iraqi invasion is a grave violation of the fundamental norms governing international relations. From the very beginning, we opposed the Iraqi invasion and annexation of Kuwait, demanding that Iraq immediately withdraw from Kuwait unconditionally and that Kuwaiti sovereignty, independence, and territorial integrity should be respected and its legitimate government restored. Second, our government stands for peaceful settlement of the Gulf crisis. While a peaceful settlement may take a little longer to achieve, it will cause fewer losses and fewer repercussions. To solve it by force will lead to unthinkable consequences. Not only will it cause great losses to the Gulf states, it will also seriously affect world peace, stability, and economic development. The Chinese Government's stand and efforts reflect the demands of a large number of countries and received the general approval of the international community.

The Arab-Israeli dispute, which has been a major hot-point issue in the Middle East, has taken a back-seat in recent days. An important reason for this is the great impact of changes in world order. Since the beginning of 1990, the peace process in the Middle East has been in a stalemate. The outbreak of the Gulf crisis dealt a further blow to the peace process in the Middle East.

Our country always attached importance to the Palestine issue. The Chinese Government and its people long and steadfastly supported the just cause of the Palestine and Arab people. We always stood for a just and reasonable solution of the Palestine issue through political means. We hold that a speedy solution to the Gulf crisis will help to promote the solution of this issue.

There were new developments in 1990 in the friendship and cooperation between our country and west Asian and north African countries. Following the visit of President Yang Shangkun to four Arab countries at the end of 1989, Chairman Wan Li visited Iran and Iraq in May 1990. Our foreign minister visited over 10 countries in the Middle East and Gulf region on separate occasions. What is worth pointing out here is that through the joint efforts of our government and the Saudi Government, the two countries established diplomatic relations on 21 July 1990. With this, China has established

diplomatic relations with all Arab countries. It is fair to say that relations between our country and west Asian and north African countries entered the best period since the founding of our country.

### **'Yearender' Reviews Situation in Lebanon**

*HK0801105291 Beijing RENMIN RIBAO in Chinese  
2 Jan 91 p 7*

["Yearender" by staff reporter Lu Zhixing (0712 1807 5281): "A Major Turn in Lebanon's Situation"]

[Text] October last year witnessed a turn in Lebanon's situation. General 'Awn, the former government forces commander, surrendered himself to the government, putting an end to the situation in which two governments coexisted, and the implementation of the "Greater Beirut Plan" brought together the eastern and western sections of Beirut which had been separated for a long time. Lebanon has embarked on a path of national rapprochement after 15 years of civil war.

### **Disband Separatist Regimes and Put an End to Civil War**

Since the Lebanese National Assembly had approved the Ta'if Accord aimed at achieving national reconciliation in October 1989 in Saudi Arabia, Lebanon had seen turbulence and endless wars. 'Awn, who occupied eastern Beirut as his stronghold, entered into rivalry with the Lebanese government under Premier Al-Huss. He refused to accept the Ta'if Accord and fought massive wars against the "Lebanese Forces" headed by Samir Jaja for leadership over the Christian faction. He also declared war on the Muslim Shiite "Amal Movement" and the "Party of God" militia in the area around the Tu Fa [0956 3127] River for control of southern Beirut. There was a succession of civil wars and Beirut became the focal point.

To put an end to the separation of Beirut into different sections and to wars in Lebanon at an early date, President al-Hirawi held consultations with the Syrian leader and sought support from him to use force to overthrow 'Awn's separatist regime. With the development in national rapprochement in Lebanon, the Syrian and Iranian governments urged the "Amal Movement" and "Party of God," which they supported respectively, to iron out differences. The "Amal Movement" and "Party of God" reached a reconciliation agreement on 5 November 1990. All this indicated that the situation in Lebanon had entered a new phase.

### **Act Out the "Greater Beirut Plan"**

Upon disbanding 'Awn's separatist regime, the Lebanese government opened all the crossings between the eastern and western sections of Beirut, combined the two sections, banned all militia organizations and nongovernment armed forces, and empowered the government forces and internal security forces to enforce statutes on public security. At the same time the government forces

stepped up necessary preparations in various areas for building a Greater Beirut. Then the Lebanese government held talks with leaders of nine militia organizations in succession to define the size of Greater Beirut, which measures 450 square km extending to the Ka Lei Bu [0595 7191 1580] River in the north, to the Ed Damur River in the south, and to A Lai [7093 5490] Region in the east, which the international Lebanon-Syria highway runs through, with Beirut City as its center. Under the Greater Beirut plan, government forces took over all military and civilian facilities controlled by various militia organizations, dismantled strongholds of nongovernment forces, confiscated their weapons, and saw to it that all militia organizations left Greater Beirut. Greater Beirut has basically been set up now.

### **The Task of Peaceful Reunification Is Tough**

Lebanon is presently advancing toward peaceful reunification. President al-Hirawi told the media recently: After the Greater Beirut plan is carried through I shall build a national reconciliation government grouping leaders of all militia organizations. At the same time I shall set about the work of electing members of the National Assembly, disband all militia organizations, and exercise the central government's authority over Lebanese territory. All militia organizations have now gone back to their traditional bases and will not take the next step before the Lebanese government announces its plan for reunification.

With the removal of factors leading to the civil war, the conflict between different religious factions concerning political interests will increasingly stand out. According to the principle laid down by the Ta'if Accord that the Islamic and Christian factions will equally share seats in the National Assembly, the Assembly passed the draft plan for constitutional reform signed by President al-Hirawi. The National Assembly will be composed of 108 seats, which will be equally divided between the Christian and Muslim factions, thus ending the exclusive control of the country's supreme power by the Christian faction as stipulated by the 1943 Constitution.

On 24 December 1990, Lebanon proclaimed the founding of the National Solidarity Government headed by 'Umar Karami. On the list of the cabinet, 15 ministers are from the Christian faction and as many ministers from the Islamic faction, but the Christian "Lebanese Forces" and its ally the Maronite Party refused to join the cabinet. They held that the representatives from the Christian community are too few and that it was unfair. At the same time the "Lebanese Forces" came out against Elie Hobeika and sa de ha er dan [5646 1795 0761 1422 0030], leaders of the Christian Militia who were considered pro-Syria, being included in the cabinet.

While Lebanon is on the march toward reconciliation, the occupation of southern Lebanon by Israel constitutes the biggest stumbling block for Lebanon achieving reunification and regaining its sovereignty over the occupied territory. Israel has established in southern Lebanon a



"security strip" measuring 800 square km, made frequent attacks on the Palestinian refugee camps and military bases, and wantonly violated Lebanon's territorial integrity and sovereignty from time to time. The Lebanese Government has repeatedly urged the United Nations to put pressure on Israel so that it would implement the Security Council's Resolution No. 425 and withdraw from occupied territory in southern Lebanon as soon as possible. But Israel turned a deaf ear to all this. Therefore the Lebanese people are facing the arduous task of driving Israeli troops out of their territory. Lebanon has initially embarked on the path of national rapprochement, with many things waiting to be done, but it also facing a new complicated situation.

### **Majlis Speaker Calls for Expanded Bilateral Ties**

OW0701115291 Beijing XINHUA in English  
1103 GMT 7 Jan 91

[Text] Tehran, January 7 (XINHUA)—Iran's Majlis speaker Hojjatoleslam Mehdi Mahdavi-Karrubi has urged for further expansion of bilateral ties with China, according to the local Persian daily "JOMHURI-YE ESLAMI" (ISLAMIC REPUBLIC) today.

Meeting on Sunday with the Majlis' Iran-China Parliamentary Friendship Group, which paid a weeklong visit to China last December, the speaker said that to promote relations with China was an important part of Iran's foreign policy.

He urged the Majlis commissions, such as the Commerce, Economics and Finance, and the Planning and Budget Commissions, to coordinate their efforts to expand ties with China.

During its trip to China, the friendship group visited Beijing, Xian and the Shenzhen free economic development zone. Wan Li, chairman of the Standing Committee of the National People's Congress of China, and some other senior Chinese officials met with the delegation.

The Chinese side expressed the desire for better ties with Iran.

The Iranian Majlis and the Chinese National People's Congress decided to set up parliamentary friendship groups prior to a visit to Iran by Wan Li early last May.

## **Sub-Saharan Africa**

### **Foreign Ministry Official on African Ties**

OW0501220891 Beijing Domestic Service  
in Mandarin 0530 GMT 5 Jan 91

[Talk by Zheng Yaowen, director of the Department of African Affairs of the Ministry of Foreign Affairs; recorded—from the "International News and Current Events" program]

[Text] The year 1990 witnessed a great change in the political situation of the South Sahara and Africa. The change was mainly accompanied by the following features:

First, salient achievements were made in relaxing the situation in southern Africa. Namibia's independence announced last March marked a successful completion of noncolonialization. Angolan and Mozambican Governments held talks with antigovernment armed forces in a bid to seek domestic peace. South African authorities, under pressure from the struggle of South African people and international society, readjusted its policy to accelerate reform. Direct talks between President de Klerk and Vice Chairman Mandela of the African National Congress of South Africa were held. Settlement of South African issues through political means was placed on the agenda.

Second, problems accumulated in the past became acute because they were influenced by the international situation and incited by some big countries. The fact that some African countries are facing political turbulence of different degrees reflects that forces of all kinds are disintegrating and reorganizing. The continent of Africa is beginning to experience a period of unrest and transformation.

Third, to meet severe challenges, African countries are now formulating new policies. There is a stronger tendency among them to be united and self-reliant in developing their economies. At the assembly of heads of state and government of the Organization of African Unity held last July, African countries decided to take economic work as the central task in the future. Active efforts are being made to ensure that a treaty of the African Economic Community will be signed at this year's assembly of heads of state and government of the Organization of African Unity. African countries are now seeking political systems and paths of development suitable to their own conditions. They are determinedly opposed to outside interference.

Friendly and cooperative relations between China and African countries further improved in 1990. A total of 18 presidents, vice presidents, prime ministers, parliament speakers, and foreign ministers from the African region visited China last year. In addition, Nyerere, former Tanzanian president and chairman of the South Committee, and Salim, general secretary of the Organization of African Unity, as well as other old friends of ours, visited China to renew friendships. Treating them like brothers, our leaders held cordial talks with them and achieved good results, thus favorably pushing forward the development of Sino-African relations.

In the past year, Chen Muhua, vice president of the National People's Congress, as well as responsible persons of the Ministries of Foreign Affairs, Foreign Economic Relations and Trade, and Culture, as well as the State Education Commission, visited more than 30 countries in Africa.

Facts prove that no matter how the international situation changes, the Chinese and African people are friends who will go through thick and thin together.

### West Europe

#### Sino-British Joint Venture Issues Dividends

OW0401182891 Beijing XINHUA in English  
1529 GMT 4 Jan 91

[Text] Shanghai, January 4 (XINHUA)—The Shanghai Yaohua Pilkington Glass Co Ltd—the country's largest Sino-British joint venture—for the first time, since it began business three years ago, is issuing dividends to its partners.

General Manager Zhang Sanfu disclosed today that the company had recorded profits of 21 million yuan during the past three years.

The world famous British company, Pilkington Brothers PLC, and the Shanghai Yaohua Glass Factory, China's largest glass factory, established the first Sino-British joint venture on the Chinese mainland, in 1987, with a total investment of 432 million yuan.

The company has produced about 500,000 tons of transparent float glass since it went into operation on December 27, 1987, and its products are marketed in more than 30 countries and regions.

Zhang said that the company's success was mainly due to high quality products, as well as the use of advanced skills and equipment. He added that the company had a great advantage by having access to easily obtainable raw materials, such as siliceous sand from south China's Fujian Province.

#### Strike Said To Protest Turkish Labor Policies

OW0401192091 Beijing XINHUA in English  
1855 GMT 4 Jan 91

["Turks Protest Against Government Labor Policies (by Zheng Jinfa)"]—XINHUA headline]

[Text] Ankara, January 4 (XINHUA)—Over 80,000 Turks, mainly striking miners and their families, started a march today to Ankara from Zonguldak, 280 kilometers north of the capital, to protest against the government's labor policies, Turkish sources told XINHUA.

The authorities refused to give permission for the miners to travel to the capital by over 1,000 buses. Security forces this morning stopped buses hired by the miners from entering the City of Zonguldak.

After a two-hour meeting with Zonguldak's Governor Salim Cotur, Semsî Denizler, leader of the General Miners Trade Union (Maden-İs), said this morning, "If buses are not available we shall go to Ankara on foot."

"It may take us 15 to 20 days in winter conditions. But we shall walk. There is no law to prevent people from walking," he added.

Since Thursday night all vehicles leaving for Zonguldak from Ankara have been stopped by security forces.

Prime Minister Yildirim Akbulut said today that the march of the miners to Ankara was not necessary. "They should send one busload of people or two to the capital for talks with me," he claimed.

Talks were held between Akbulut and leaders of the trade union last week, but failed to produce a result.

"Since we have decided to increase their daily wage from 18,000 liras (about 6 U.S. dollars) to 64,000 liras (about 22 dollars), there is no reason for them to march," the premier said.

Asked if further security measures will be applied to stop the march, Akbulut said, "The authorities will do whatever necessary in face of unlawful behavior."

Strict security measures have been taken in Cankaya, where the presidential palace and the prime ministerial mansion are situated.

Over 5,000 armed security forces have been deployed and barricades set up at all roads leading to Ankara, police sources said.

On Thursday, over 1.5 million workers held a one-day nationwide general strike to protest the labor policies of the administration under President Turgut Ozal in defiance of an Ankara court decision to ban the strike.

#### Financial Agreement Signed With France

HK0701032491 Beijing RENMIN RIBAO in Chinese  
24 Dec 90 p 6

["China and France Signed an Agreement on Financial Cooperation"]

[Text] Paris (RENMIN RIBAO)—On 19 December China and France signed an agreement in Paris on financial cooperation.

According to this agreement, France will provide a mixed loan of 1.31 billion francs to China for the purchase of telecommunications and energy equipment and technology from France.

Lu Zhenhe, director of the Loan Department of the Chinese Ministry of Foreign Economic Relations and Trade; and (Brandin) [bu lang ding 1580 2597 0002], deputy director of the State Treasury Department of the French Ministry of Finance and Economy, signed the agreement on behalf their respective governments.

### **French Ambassador Meets With Writer Ba Jin**

OW0501155891 Beijing XINHUA in English  
1457 GMT 5 Jan 91

[Text] Shanghai, January 5 (XINHUA)—Ba Jin, 86, a noted Chinese writer, revealed here today that he is compiling "The Complete Works of Ba Jin."

During a meeting with Claude Martin, the new French ambassador to China, Ba disclosed that the complete works will be contained in 25 volumes, 17 of which have been completed.

Ba said his complete works will be published by the People's Literature Publishing House.

Ambassador Martin said that, upon his departure from Paris for China, French President Francois Mitterrand asked him to convey his regards to Ba Jin.

The ambassador also expressed his hope that Ba would write more because he had many readers, both at home and abroad.

Ba, who once studied in France when he was young, first met Martin, in 1979, while on a visit to France.

## **East Europe**

### **Hungary, CSFR, Poland To Hold Meeting**

OW0801024991 Beijing XINHUA in English  
0153 GMT 8 Jan 91

[Text] Budapest, January 7 (XINHUA)—Hungary Foreign Ministry Spokesman Herman Janos announced here today that the summit of Hungary, Czechoslovakia and Poland will be held in County Visegrad of Hungary in mid-January.

Addressing to a news conference here, the spokesman said that Hungarian Prime Minister Antall Jozsef will attend the meeting in which the three countries will sign a declaration of principles for their cooperations.

Herman also said that Hungary foreign ministry had advised Hungarian citizens not to go to the nine Arab states including Iraq, Saudi Arabia and Jordan in view of the tension in the Gulf, suggesting that Hungarian citizens now in these states should make contacts with the Hungarian foreign missions there as soon as possible.

### **Bulgarian President Opposes Monarchy Restoration**

OW0801073891 Beijing XINHUA in English  
0722 GMT 8 Jan 91

[Text] Sofia, January 7 (XINHUA)—Bulgarian President Zhelyu Zhelev today warned his people that "any attempts to restore monarchy could lead to national split and disaster," according to the state BTA NEWS AGENCY.

When meeting with local officials in Bulgaria's southern city of Haskovo, Zhelev said "there should be no action against the existing state power and its prestige since Bulgarians voted for republicanism." BTA reported.

The president made the remark in response to some Christians on Sunday who hope to see Simeon II and his family reinstated in Bulgaria as soon as possible.

Simeon II succeeded King Boris as the monarch of Bulgaria in 1943, when the country was in alliance with Germany. Bulgarians abolished Monarchy in September 1946 by popular referendum.

### **Bulgaria, Soviet Union Sign Trade Agreement**

OW0601172591 Beijing XINHUA in English  
0708 GMT 6 Jan 91

[Text] Sofia, January 5 (XINHUA)—A Bulgarian-Soviet trade agreement maintains the Soviet Union's standing as Bulgaria's largest trading partner, with a barter volume of 4.6 billion U.S. Dollars for 1991.

However, the Soviet Union will cut half of its oil supply to Bulgaria, with a volume of 5 million tons this year.

The dwindling supply of Soviet oil has caused an unprecedented oil shortage in Bulgaria, where most cars remain idle with the exception of ambulances, fire-engines and public buses.

Bulgaria is trying to find other sources to alleviate its oil shortage. It is reported that Turkey, Iran and Libya have promised to increase their oil export to Bulgaria.

According to the Bulgarian-Soviet trade agreement, besides crude oil, the Soviet Union will provide Bulgaria with raw materials such as natural gas, electricity, coal and iron ore in exchange for caustic soda, grain, meat, medicine, cigarettes, etc.

The two countries had agreed to trade under a free foreign currency account from January this year, in which the quotations would be given on the basis of international standards.

However, since the 1990 trade agreement between the two countries have not been well honored, they will continue to fulfill the 1990 contracts using a currency of Soviet rubles before the end of March.

### **Albanian Foreign Minister To Visit 22-26 Jan**

OW0801092991 Beijing XINHUA in English  
0910 GMT 8 Jan 91

[Text] Beijing, January 8 (XINHUA)—Albanian Minister of Foreign Affairs Reiz Malile will pay a visit to China from January 22 to 26 at the invitation of Chinese Foreign Minister Qian Qichen, a spokesman for the Chinese Foreign Ministry announced here today.

## Central Committee Plenum

### Plenary Session Made 'Concessions' to Localities

*HK0801115891 Hong Kong MING PAO in Chinese  
3 Jan 91 p 2*

["Newsletter From China" by Lan Tai (5663 7818): "Central Authorities Reportedly Make Concessions To Ease Tense Relations With Localities"]

[Text] Information from Guangzhou says: According to well-informed sources here, at the Seventh Plenary Session of the 13th CPC Central Committee in Beijing which ended the other day, the CPC top echelon made concessions to ease tense relations with localities, agreeing that the "financial contract" policy of the provinces will be preserved. Regarding a number of other concrete policies, the localities received more restrictions than before.

According to the information, before the seventh plenary session, the Eighth Five-Year Plan green papers distributed from Beijing to all provinces for discussion conveyed the intention of annulling the financial contract policy in those provinces, indicating that the CPC top echelon wanted to take back the financial power that had been given to localities earlier. Later, because local authorities all expressed their discontent and had several rounds of bargaining with the central authorities, this policy was allowed to continue eventually. The information has it that Guangdong officials and people in the economic circles all expressed their happiness about this decision.

However, because this plenary session made no mention of whether Guangdong should continue its policy that had "led the rest of the country by one step," and instead repeatedly stressed the need to properly handle the relations between the central and local authorities and between the state and enterprises, the people here apparently feel disappointed.

Some people in economic circles grumble that many of the policies to be implemented this year are not to the benefit of Guangdong. Take for example the abolition of export subsidy that went into effect on 1 January. If the cost accounting for exports goes by the depreciated renminbi exchange rate, it will benefit those enterprises which export agricultural products, subsidiary agricultural products, and raw materials. Many of Guangdong's exports, however, will be unable to make it to overseas markets after the subsidy is withdrawn as they are mostly profitable through processing only.

On the issue of constant price decrease, Guangdong and the central authorities also differ. Guangzhou's commodity prices dropped by nearly five percentage points in the first 11 months of 1990, unparalleled by any other major city in China. In view of this, provincial Governor Ye Xuanping pointed out at the work conference attended by provincial governors and city mayors which ended the other day that the excessive plummeting of commodity prices is a hidden trouble that may bring a

downturn in production. He called on all cities to put money into developing production.

It is learned that the Guangdong authorities maintain that an appropriate expansion of the scope of investment in capital construction is the only and most effective way to activate the market. It is a solution to a series of problems in large and medium-sized state-run enterprises concerning sales of products, employment, commerce, service trades, and so on. This idea was explained to the central authorities in a variety of ways and has been preliminarily accepted by the latter recently.

The people here believe that a "shrinking" tendency will continue to dominate economic development in Guangdong this year and there is nothing to be optimistic about. However, some cadres at the grass-roots level say that officials at various levels in Guangdong have now formed a most exemplary style of work of "seeking truth from facts": They are "only seen but not heard" when doing anything that benefits the development of their places.

### 7th Plenum Outcome Viewed

*HK0501073091 Hong Kong TANGTAI in Chinese  
No 58, 5 Jan 91*

[Article by Ho Po-shih (0149 0130 2457) from Beijing: "Inside Story of the Seventh Plenum—Li Peng Wants to Share Power With Jiang Zemin"]

[Text] The seventh plenary session of the 13th Central Committee took a long time to be arranged. The date of its convocation was put off time and again. Reading between the lines of its "birth certificate" (the press communique in its wake), people of good sense have managed to discern how intense both the open strife and veiled struggle inside the CPC, and between the central authorities and the localities, was (details are found in other articles under this special topic.) Anyone who has kept an eye on the whole course of the press communique's making, including the revision of its terminology and representation of some concepts as well as the rearrangement of the key points, has a better understanding of the course of struggles and compromises inside the CPC top echelon. (It must be acknowledged, that fierce as the CPC inner struggle is, the compromise has also been extensive. That accounts for the CPC having achieved the gradual "stability" of the situation today. Only with this understanding will it be possible to acquire comparative accuracy in understanding the present situation facing the CPC and what each faction stands for). This article attempts to view the struggle and compromise during the seventh plenary session and compare it with past practices based on the information provided by a person in the know.

### There Is No Way of Telling How Many Days the Session Lasted

According to the informed source, the date set for the session was altered time and again. In addition, the CPC



authorities could not decide the session's duration even after Li Peng officially announced the session's convocation was set for late December. That was a rare occurrence in recent years. In past practice the central propaganda units would be informed of a session's duration, and "tipped off" about the session's spirit so that they could organize coverage and even choose the proper time to publish relevant articles. However, a reversal of the usual practice took place regarding the recent session. Some reporters had learned that the recent session would last three days, then it was said to last four, but at the very last minute, an instruction said that there was no set limit to its duration. Major units in charge of propaganda received a circular saying that they should refrain from relevant coverage until further instructions from the Central Committee Propaganda Department and XINHUA News Agency. Viewing the failure in setting the session's duration, we can see that the CPC top echelon had no idea as to how long it would take to reach a compromise. As a result, the seventh plenary session lasted six days, twice the three-day duration set earlier.

#### **The Plan for an Enlarged Session Was Cancelled**

The CPC had planned to convoke an enlarged session of its Political Bureau, but this never took place. Convoking an enlarged Political Bureau session on the eve of an important meeting is the CPC's usual practice. For example, on the eve of the fourth plenary session of the 13th Central Committee (between 23 and 24 June 1989), at which Zhao Ziyang was officially removed from office, the Political Bureau convoked an enlarged session between 19 and 21 June. Responsible persons of various provinces and autonomous regions were summoned to Beijing, then returned to their localities after having been given instructions, to unfold work based on the central spirit in the wake of the fourth plenary session. At the recent seventh plenary session, economic planning for the next five and 10 years were discussed, which involved all localities nationwide. Responsible persons did participate in the Beijing session, but they did so only as non-voting delegates, without participating in any discussions prior to the session. The person in the know said that a process was involved here: When the central authorities first sent the "Eighth Five-Year Plan" to the localities for their discussion, strong reactions from the localities followed on the intention to recentralize, which was universally discerned; consequently, objections came one after another; some localities sent men to Beijing to bargain. Superficially, the central authorities said they would take into consideration opinions from various localities, and "the Eighth Five-Year Plan" has undergone several revisions, but in the end, they "have stuck to their old ways in doing things." At last, the central authorities convoked a national conference on economic planning in November in the hope of acquiring the localities's compliancy through sweet promises as well as the big stick so that the seventh plenary session might progress smoothly. They had not expected that at the conference on economic planning,

Guangdong Governor Ye Xuanping would take the lead in expressing complaints against Li Peng in his speech. As a result, Yang Shangkun had to smooth things over, and delegates' speeches were halted and replaced with discussion on penal measures. Subsequently, the central authorities gave up the idea of convoking the Political Bureau's enlarged session on the eve of the seventh plenary session. That spells instability inside the CPC.

#### **Deng Xiaoping Set the Tone, Reform Should Not Be Negated**

According to the informed source, in viewing the revision of the Seventh Plenary Session Press Communique's wording, the course of factional struggle and compromise can also be discerned. Li Peng has always wanted to negate the past 10-year reform, and to pick on and stress mistakes amid its accomplishments, which belonged to Hu Yaobang and Zhao Ziyang. However, many of the practical policies and measures adopted today are left over from the Hu-Zhao era, and are the Deng Xiaoping line's offsprings (for example, the theory on the initial phase of socialism and optimizing the economic structure as mentioned in the press communique), and no mud should be thrown at them. Deng Xiaoping also made a statement prior to the final version of the communique being worked out, saying that the 10-year reform's accomplishments should not be negated, while the new body's work must be ascertained. Consequently, the following paragraph surfaced in the communique: "The plenary session has highly assessed the great accomplishments in China's reform, opening up, and socialist modernization since the third plenary session of the 11th Central Committee, and fully acknowledged the marked accomplishments in all work since the fourth plenary session of the 13th Central Committee." Li Peng stuck to this view on several occasions; eventually, Deng Xiaoping, Jiang Zemin, and Yang Shangkun gave in.

In the "Press Communique" and the "Eighth Five-Year Plan," Chen Yun and Li Peng's views are: "To initially build an economic structure and operational mechanism characterized by socialist planned economy based on public ownership and linking the planned economy to market regulation" (the difference from the past is: Leaning on the planned economy in essence); "augmenting agriculture, basic industry, and infrastructural equipment, reorganizing and transforming the processing industry, and to observe the principle of unified planning with due consideration for all concerned, rational division of labor, supplementing each other with each advantages and developing in harmony," (whereas past focus was on augmenting new enterprises in foreign cooperation, importing raw materials and exporting products in a big way); "the responsibility system with contracted household responsibility related to output as the key to suit China's rural production level at the present stage must be stabilized as a basic system for a long period" (while in the past, peasants were given a free hand to become individual households, with private ownership gradually unfolded.) Deng Xiaoping



approved them all, while Jiang Zemin had nothing new to offer. However, Deng and Jiang proposed "the national economy should be developed continuously," and disapproved of halting economic development on the grounds of readjustment; eventually, Chen Yun and Li Peng agreed to those points, on the condition of adding the "principle of the continuous, steady, and harmonious development of the national economy."

#### **Li Peng Has No Desire To Give Prominence to Jiang Zemin**

The two factions have been comparatively unanimous on the issue of recentralization. Presently, state finance in the gross national product has dropped to below 18 percent from the past 30 percent; that being the case, both the seventh plenary session and the "Eighth Five-Year Plan" stressed recentralization. The central authorities have been unanimous on this point, but differences between the center and localities are great.

In conclusion, the informed source pointed out that the press communique says that the just-concluded seventh plenary session was "presided over by the CPC Central Committee Political Bureau; Comrade Jiang Zemin delivered an important speech, while Comrade Li Peng made explanations on the draft proposal (referring to the "Eighth Five-Year Plan and the 10-Year Program"), and there is a story behind that passage, too. Prior to the sixth plenary session of the 11th Central Committee, most plenary sessions of the Central Committee were presided over by the most powerful personalities at the time, and those presiding over the session were written down in the relevant press communique. In the wake of the sixth plenary session of the 11th Central Committee, sometimes, the session was presided over by several personalities; at others, the person presiding over it was kept in the dark (it was especially so when there was a reshuffle of the supreme leadership). At the recent session, it was written that the Political Bureau presided over it; this was Li Peng's proposal because he did not want to give prominence to Jiang Zemin.

Also worth mentioning is that at the recent seventh plenary session, the CPC has not only turned conservative in its economic strategy, but also turned back onto the old path politically. Aside from the fact that not a single word was said in the communique, in actual practice, it has also halted the allowing of relative visibility that had previously surfaced. The CPC's 13th National Congress proposed: "The people should have knowledge and participate in discussions of important matters," since then there had been relatively stronger visibility of central meetings. However, the recent meeting completely restored past practice characterized by mysticism, and relayed the session's spirit from top to grass-roots, even the press was not "tipped off with any information" beforehand.

### **Political & Social**

#### **Beijing 'Quietly' Frees Jailed Intellectuals**

*HK0801023191 Hong Kong SOUTH CHINA MORNING POST in English 8 Jan 91 pp 1, 11*

[By Chris Yeung]

[Text] Beijing has quietly freed a group of leading intellectuals arrested for alleged involvement in the pro-democracy movement of 1989.

They include legal scholar Mr Yu Haocheng and social scientist Mr Cao Siyuan, both advocates of radical political reform.

Their release has been confirmed by local delegate to the Chinese People's Political Consultative Conference, Mr Xu Ximin.

Mr Xu said yesterday Mr Yu had been freed at the end of last month. The dissident intellectual, who was detained in the summer of 1989, had recently sent greetings to him through a friend and revealed his release.

An advocate of constitutional reform, Mr Yu was formerly a vice-president of the Chinese Society of Political Science and an executive member of the Chinese Law Society.

Before the massacre, Mr Yu had initiated petitions to the authorities calling for radical democratisation.

Mr Cao, who was also set free recently, was arrested on May 30, 1989. Days before, he had spearheaded a drive to persuade National People's Congress deputies to convene an emergency session to repeal martial law.

His last post was director of the Institute for Social Development Research of Stone Corporation, one of China's largest computer companies.

Former Stone chairman, Mr Wan Runnan, fled China soon after the massacre and is now chairman of the overseas dissident organisation, the Federation for a Democratic China.

Neither Mr Yu nor Mr Cao played an active role in the demonstrations and a few days before the massacre, Mr Yu tried to persuade the students to leave Tiananmen Square to avoid unnecessary sacrifice.

Mr Xu said a number of intellectuals who were less famous had also been quietly released in Beijing and Shanghai recently.

"It is apparent that the Chinese authorities have failed to collect sufficient evidence of wrongdoing by these intellectuals," Mr Xu said.

"They should have been set free at a much earlier date. They neither incited the so-called rebellion nor took part in the allies."

Chinese sources said that other dissident intellectuals set free recently included economists Mr Bai Nanfeng and Mr Yang Guansan.

Both were academics with the Research Institute for the Reform of the Economic Structure, considered a major think-tank of ousted party chief Mr Zhao Ziyang.

In addition, Mr Yang had been a personal secretary of Bao Tong, a key Zhao aide who was arrested in May 1989.

Western diplomats in Beijing say the so-called "black hands", who include Bao and journalists Wang Juntao and Chen Ziming, will probably be given prison terms of about 10 years.

In an interview yesterday, Mr Xu also criticised Beijing for its handling of the nine campus activists whose sentences for crimes including "inciting subversion against the people's government" were announced on Saturday.

#### Wang Renzhong Addresses CPPCC Meeting

OW0701135291 Beijing XINHUA Domestic Service  
in Chinese 0819 GMT 7 Jan 91

[By reporter Zou Aiguo (6760 1947 0948)]

[Text] Beijing, 7 Jan (XINHUA) —The 12th Session of the Seventh National Committee of the Chinese People's Political Consultative Conference [CPPCC] Standing Committee opened in the auditorium of the CPPCC building this morning. The central topic for discussion at this Standing Committee meeting was the conveyance and study of the guidelines of the Seventh Plenary Session of the 13th CPC Central Committee and serious discussion of the "Proposals of the CPC Central Committee for the Drawing-Up of the 10-Year Program and the Eighth Five-Year Plan for National Economic and Social Development."

Entrusted by Li Xiannian, chairman of the CPPCC National Committee, Vice Chairman Wang Renzhong presided over today's meeting. He said: On the eve of the new year, the Communist Party of China convened the Seventh Plenary Session of the 13th Central Committee. The meeting adopted the "Proposals of the CPC Central Committee for the Drawing-Up of the 10-Year Program and the Eighth Five-Year Plan." The "proposals" have set forth the objectives of struggle and basic guiding principles for the next five to 10 years, and outlined the grand blueprint for development. It is a programmatic document to guide people of all nationalities throughout the country to forge ahead. We must earnestly study and implement it. Wang Renzhong said: Developments over the next decade are of great importance. It is hoped that Standing Committee members will seize the major issues contained in the Central Committee's "proposals," carry out discussion, speak out freely, and put forward your suggestions.

The meeting adopted the agenda and schedule for this Standing Committee meeting. The main items in the agenda were: To convey and discuss the guidelines of the

Seventh Plenary Session of the 13th CPC Central Committee; to hear reports on the international situation and diplomatic work; to consider the decisions on marking the 80th anniversary of the Revolution of 1911 [Xinhai geming]; to consider the regulations governing motions submitted by the CPPCC National Committee; to consider decisions including restoring the China Association for Science and Technology as a component of the CPPCC and converting the returned Overseas Chinese community into the All-China Federation of Returned Overseas Chinese.

At the meeting, Vice Chairman Qian Zhengying relayed the guidelines laid down by the Seventh Session of the 13th CPC Central Committee.

The meeting expressed deep condolences on the death of four Standing Committee members, namely Jin Xianzhai, Wu Zhichao, Sun Chengpei, and Feng Youlan.

Other vice chairmen of the CPPCC National Committee present at today's meeting included Hong Xuezhi, Gu Mu, Kang Keqing, Wang Guangying, Deng Zhaoxiang, Zhao Puchu, Qu Wu, Ma Wenrui, Liu Jingji, Qian Xuesen, Qian Weichang, Hu Sheng, Sun Xiaocun, Cheng Siyuan, Lu Jiaxi, Su Buqing, Ismail Amat, Hou Jingru, and Ding Guangxun.

#### Court Passes Final Judgment on Corrupt Official

HK0801025891 Beijing ZHONGGUO XINWEN SHE  
in Chinese 0843 GMT 7 Jan 91

[Report by staff reporter Li Chun (2621 2504): "Beijing Higher People's Court Passes Final Judgment on Xu Jun's Case"—ZHONGGUO XINWEN SHE headline]

[Text] Beijing, 7 Jan (ZHONGGUO XINWEN SHE)—Today, the Beijing Municipal Higher People's Court passed a final judgment on the case of Xu Jun, former director of the Transport Bureau of the Ministry of Railways, who was accused of corruption and bribe-taking; they rejected his appeal; and maintained the original sentence of death with a two year reprieve imposed by the Beijing Municipal Middle-Level People's Court.

In October last year, according to evidence exposed by the bribery case of Huo Chuangyuan and Pan Keming of the Zhengzhou Railway Bureau, the Supreme People's Procuratorate cracked the bribe-taking case involving Transport Bureau Director Xu Jun and a number of officials in the Ministry of Railways, including Jia Shuang, Ma Mingshan, Wei Guofan, and Hu Junle. It was later found that Luo Yunguang, vice minister of railways, also took bribes. This became a major case that shocked the whole country.

After trying the case, the Beijing Municipal Middle-Level People's Court passed a sentence of death with a two year reprieve on the accused, who was also deprived of political rights for life for his crime of corruption; and passed a sentence of 10 years' imprisonment with the

deprivation of political rights for two years for his crime of taking bribes. The accused was sent to receive reform through labor in order to see how he would mend his ways thereafter. The money and property illegally acquired by Xu Jun were all confiscated and passed onto the state treasury. Part of his personal property was also confiscated.

Xu Jun appealed to the higher court against the original sentence on the grounds that his action of "keeping public money in a private account" did not constitute the offense of corruption.

The Beijing Municipal Higher People's Court organized a collegiate bench according to the law, to try Xu Jun's appeal. During the trial, it was found that between 1987 and 1988, Xu Jun converted to his private use, a certain amount of money paid by some units to the Transport Bureau of the Ministry of Railways as fees for transporting oil and coal, as "contribution fees", and fees for transport supervision. The money was kept separately in his own private account and the private accounts of his relatives. The public money he embezzled amounted to more than 102,000 yuan. In addition, Xu Jun also received 31,700 yuan in cash and a refrigerator as bribes between 1988 and 1989. These facts were all supported by personal testimony, and material and documentary evidence. The factual evidence was unambiguous and sufficient, and the crimes committed by Xu were irrefutable. The money and material illegally acquired through his corruption and bribe-taking has all been retrieved.

The Beijing Municipal Higher People's Court held: As a state functionary, Xu Jun used his office to embezzle public money and to take bribes, his behavior constituted the offense of corruption and bribe-taking. Furthermore, his corruption case was serious and he deserved severe punishment. The original sentence passed by the middle-level court was correct and relevant to the seriousness of the case. The trial procedures were also in keeping with the stipulations of the law; the original sentence should be maintained. In Xu's appeal, he claimed that "keeping public money in private accounts" did not constitute the offense of corruption, that this was ungrounded, and should be rejected. However, the final decision was to reject the appeal and maintain the original sentence.

Liu Yunfeng, president of the Beijing Municipal Higher People's Court told the press that the sentence was in keeping with the stipulations of the law and the spirit of the policy for combining severe punishment with lenience, so it was a proper sentence. According to the stipulations of the law, in general, people who embezzle over 100,000 yuan in public money should be sentenced to death and be executed immediately. However, before the deadline laid down by the "Circular" of the Supreme People's Court and the Supreme People's Procuratorate, Xu Jun acknowledged to the procuratorial authority, his embezzlement of 70,000 yuan and acquirement of 20,000 yuan in bribes, and he also returned all the

ill-gotten money. So his crime was palliated and the death sentence was reduced to that with a two year reprieve.

Reportedly, Hu Junle, former deputy director of the Transport Bureau of the Ministry of Railways, was found to have taken 5,800 yuan in bribes by the Beijing Municipal Middle-Level People's Court. As he confessed to his crime and actively returned the ill-gotten money before and after the deadline of the "Circular" of the Supreme People's Court and the Supreme People's Procuratorate, he was sentenced less harshly to two years imprisonment. In addition, the cases of Wei Guofan, former assistant director of the Transport Bureau, and Ma Mingshan, former director of the dispatching section, are still being investigated and no sentence has yet been passed on them.

### Deng Writes Inscription for Martyrs' Mausoleum

OW0801090591 Beijing Central Television Program  
One Network in Mandarin 1100 GMT 7 Jan 91

[From the "National News Hookup" program]

[Text] Approved by the State Council, the Mausoleum of the Martyrs of the Wannan Incident was completed recently on the [Shuiqi] Shan on the outskirts of Jingxian County, Anhui Province. Comrade Deng Xiaoping wrote an inscription for the monument: "Eternal Glory to the Martyrs Who Died in the Wannan Incident." [Video opens with long shot of mausoleum, zooming to show a close-up of monument where Deng Xiaoping's inscription is engraved]

The main part of the mausoleum is a ring-shaped structure composed of the (Meng Qiangshi) Monument and a memorial corridor. With an inner radius of 50 meters, the structure looks like a big ring of flowers. The monument, built from blocks of black granite, is 12.36 meters tall and 24 meters wide. The memorial corridor is composed of seven sections, symbolizing the seven days and nights of bloody battles fought by the fighters of the New Fourth Army in the Wannan Incident. On a wall of the corridor is engraved the Song of the New Fourth Army and the inscription Comrade Zhou Enlai wrote in honor of the Wannan Incident.

The completion of the mausoleum has realized the aspiration of a soldier of the New Fourth Army and the masses in the old revolutionary area.

### Jiang, Li Write Inscriptions

OW0801054591 Beijing Domestic Service  
in Mandarin 2230 GMT 7 Jan 91

[From the "News and Press Review" program]

[Text] Yesterday was the 50th anniversary of the world-shocking Wannan Incident. The Anhui Provincial CPC Committee, the provincial government, and the provincial military district jointly held activities in Jingxian County to commemorate the anniversary and cherish the



memory of members of the New Fourth Army, who had laid down their lives in the incident.

At a commemoration meeting yesterday morning, Secretary Lu Rongjing of the Anhui provincial party committee and a veteran representative of the New Fourth Army made speeches. They pointed out: In holding such commemorative activities, we should cherish the memory of martyrs and educate the masses of people, especially the younger generation, to foster a strong sense of national pride and confidence; we should mobilize and encourage the people of all nationalities throughout the country to work with one heart and one mind to further maintain the unification of the motherland and the unity of all nationalities; upholding the policy of peaceful reunification and the concept of "one country, two systems," we should strive to accomplish the great cause of reunifying the motherland at an early date.

Following the meeting, hundreds of cadres, people, and veterans of the New Fourth Army went to the newly-built Cemetery for Martyrs of the Wannan Incident, where they attended a ceremony to unveil a monument to the martyrs. The monument is 12.36 meters high and 27 meters wide. Inscribed on the surface of the polish granite monument is Comrade Deng Xiaoping's handwriting, reading: Eternal glory to the martyrs of the Wannan Incident!

Jiang Zemin, general secretary of the CPC Central Committee, and Li Peng, premier of the State Council, wrote inscriptions for the 50th anniversary of the Wannan Incident.

Jiang Zemin's inscription was: Martyrs are buried in green mountains, and their spirit inspires their posterity.

Li Peng's inscription was: Carry forward revolutionary heroism; the noble spirit of the martyrs of the Wannan Incident is imperishable!

A bronze statue of General Ye Ting was unveiled at the former site of the New Fourth Army Headquarters in Yunling's Luoli Village yesterday afternoon.

#### **Wang Fang Visits Security Police in Zhejiang**

OW0701144491 Hangzhou ZHEJIANG RIBAO  
in Chinese 30 Dec 90 p 1

[By reporters Zhou Dan (0719 0030) and Ling Zaiming (0407 0375 2494)]

[Text] State Councillor Wang Fang came to the Hubin Police Station and the Xihu District Traffic Police Team in Hangzhou City yesterday morning to visit public security police officers and men working on the frontline at the grass-roots level. He extended new year's greetings and cordial regards to them.

Comrade Wang Fang was accompanied on the visit by Wu Renyuan, member of the Standing Committee of the provincial party committee and secretary of the Hangzhou City party committee; and Xia Zhonglie, member

of the Standing Committee of the provincial party committee and director of the provincial police department. He said: "The New Year's Day of 1991 is only three days away. At this time of bidding farewell to the old year and ushering in the new year, I have come here to see you. I wish all of you officers and men of public security police and your relatives a happy new year. I also wish that you will be healthy, enjoy a happy family life, and win still greater success in your work." He was then briefed by the Hubin Police Station and the Xihu District Traffic Police Team on local public security conditions and work done to improve traffic order. He inquired about such details as the handling of various cases violating regulations, vehicle control, crime prevention and control by the masses, security work, and the working conditions of public security police. Comrade Wang Fang said: "In the year about to expire, you have scored great achievements in maintaining social stability, safeguarding the 'Asian Games,' and striking hard at serious criminal offenses. Next year is the first year of the Eighth Five-Year Plan. You are requested to continue the policy of putting stability above everything else. Only under the condition of political and social stability can we guarantee economic stability and achieve the sound development of our economy. This requires us to do our utmost to improve our social order." In addition, Wang Fang stressed the following: Speaking of public security, if we attend to it, we will have security; otherwise, there would be no security. If we keep attending to it at all times, we will have long-term security. For the sake of the long-term security of our country, public security organs must rely upon the party and government and mobilize all social sectors to make comprehensive efforts to improve social order. The purpose of the people's police is to enforce law on behalf of the state. It is imperative to build a police contingent with high ideals, education, moral integrity, and professional knowledge, who cherish the masses and love their work, who act according to law and carry out their duty in a civilized way, and who are capable of standing all tests.

#### **Culture Minister Addresses Symposium**

HK0701122791 Beijing WENYI BAO in Chinese  
8 Dec 90 p 1

[Report by Jing Nu (7234 1166): "National Symposium on Ideas Guiding Dramatic Writing Held in Beijing To Sum Up Experiences in Dramatic Creation and Probe Deep-Level Problems in Literature and Art"]

[Text] A national symposium on ideas guiding dramatic writing was held in Beijing from 23 to 27 November under the joint auspices of the Chinese Dramatists' Association and the monthly journal SCRIPTS [ju ben 0489 2609]. Some 60 people, including leaders from the literary and art circles, dramatists, experts, and scholars from all over the country attended the symposium.

Zhao Xun [6392 1416], executive vice chairman of the Chinese Dramatists' Association, first congratulated the playwrights for their accomplishments through hard



work. He then said: Since the Fifth National Awards for Outstanding Scripts have been held, it is extremely useful, and also rare, that the winning playwrights have been invited to join in the examination and study of dramatic writing. In his speech, Qi Zhixiang [7871 5268 5046], secretary of the Chinese Dramatists' Association's secretariat, gave an analysis of the situation in dramatic writing and evaluation in recent years and expressed the hope that everyone would exchange experiences, rationalize their thinking, modify their state of mind, and achieve even greater results.

Liang Guangdi [2733 0342 1717], Li Zhun [2621 0402], Xu Feiguang [1776 7236 0342], and Li Zhenyu [2621 2182 3768] attended the meeting and presented their opinions. They all gave their own views on issues of common concern, including the current situation and tasks in literature and art, literary and artistic theories, and the ideas guiding dramatic writing.

For five days the symposium participants made enthusiastic speeches and engaged in heated discussions. Zheng Zhenhuan [6774 2182 3883], author of "A Sacred Flame Across the Horizon", said in his speech: Life is the impetus propelling a writer's creation and it is the source of literary ideas and feelings. Without life, one's heart feels empty every time one takes up the pen. He believed that without his several years spent in the Gobi Desert, and his crossings of the great desert to experience the winds and the sands, he would not have known the lively and shining lives of the soldiers, and would not have been able to write the "Sacred Flame". Meanwhile, "Swan Banquet" author Chen Daogui [7115 6670 6311] spoke about his experiences, with the accent on artistic methods. He said that writing should focus on the main theme and explore it in great depth so that the outcome will possess a uniqueness of "sound, sight, and flavor". The 40 writers spoke from different angles and on different emphases, adding life and color to the symposium and the discussions.

After listening to the problems raised about writing, He Jingzhi, deputy director of the CPC Central Committee's Propaganda Department and acting minister of culture, gave an informal talk to the playwrights.

He Jingzhi maintained that over the past year, remarkable achievements had been made in drama writing. After last year's political turmoil, outstanding dramas appeared quickly and have not shown any slowing down since. The dramatic stage has also been fairly active. Such a good momentum has been maintained in dramatic writing because of the positive forces in dramatic circles. Even at the time of the proliferation of bourgeois liberal ideas, not a few comrades voluntarily upheld the revolutionary tradition of Marxism and the creative method of realism. This awarding of drama scripts is also an examination of the country's drama writing. Quite a number of the winning entries carry considerable weight while some repertoires could last a long while on the stage.

He Jingzhi said: Our country's literature and art has gained experience in opposing "leftism" during its long process of development. At the same time, it has also obtained experience in opposing bourgeois liberalization and in overcoming the rightist tendency. Rightist criteria should not be used to measure the standards in opposing "leftism"; similarly, we should not use "leftist" views to make observations and judgment in opposing rightism. In short, "leftism" should not be used to oppose rightism, nor rightism to oppose "leftism". One form of bias should not be replaced by another, nor should the incorrect ways of an individual be involved. Over the past year, satisfactory results have been achieved in the education and struggle to oppose bourgeois liberalization, primarily because we have abided strictly by the party's guidelines and policies and have striven to use Marxist elements to overcome erroneous tendencies. In our drive against bourgeois liberalization today, we definitely do not promote the old practice of doing things to a set formula and generalizing everything. The commended works of today should not merely "satisfy political criteria," but should also stress vividness and artistic value. Looking at the state of dramatic writing, we have not returned to the "leftist" style of writing.

He Jingzhi maintained that literature and art should resolve in-depth issues through studies and reflections. He said that although the literary and arts circle had made a turn for the better, this does not mean that the thinking within our ranks is now tough enough and we only face questions about artistic skills and techniques. Owing to the setbacks and unexpected complications in the socialist cause, writers have not had time to digest these problems ideologically and were indeed baffled due to the influences of various views. For instance, the blind pursuit of the emancipation of personality and of awareness of the main theme reflected this problem. Some comrades used the question of whether personality has been emancipated or not as the ultimate criteria to assess whether society is rational or not and to judge the success or failure of art. They either negated or questioned everything which restricted the functions of life and stressed that the individual should be the center of everything. It appeared as if life as depicted in the works can only be written with depth and possess philosophy if seen from the high plane of abstract humanity. In fact, this is a manifestation of the bourgeois world outlook. Does Marxism not deal with the individual? It does, but in order to correct the relations between an individual and a community, one should not speak unconditionally of the individual and disregard the community; one should not regard the individual as the center and that the collective and the community should submit to the individual, that the individual is always right and the collective and community always wrong. Capitalist society is built upon the system of private ownership of the means of production and demands the ideology of individualism. On the other hand, the socialist system is anchored to the public ownership system and should stress collectivism. It demands that the developments of

the individual and of the community should be harmonious and in concert. Under specific conditions, one has to sacrifice oneself for the cause of the collective. During the Long March and the days in Yenan, many people willingly submitted themselves to the great collective movement. Can we depict this with abstract humanism? Owing to constraints in historical conditions, influences by feudal remnants, and old practices and other factors, real life does contain things which hurt the individual and his personality, but these are not caused by the fundamental system of socialism. In exposing the dark side, the writer should also display confidence in the fundamental system. He or she should describe life as it develops and give people the strength to advance positively in order to perfect and consolidate our socialist system. In short, he or she should mend the pot instead of smashing it.

He Jingzhi expressed the hope that, in taking heed of distinguishing between two kinds of outlook on life, history, values, and the arts, writers and artists will use the advanced ideology of Marxism to observe and analyze our times and create more dramas and plays which are both ideologically profound and artistically perfect. His words were warmly received by the symposium participants.

Zhang Geng [1728 1649] and others were also present and gave speeches.

### Party's Leadership Over Arts Stressed

OW0501034891 Beijing Domestic Service  
in Mandarin 2230 GMT 4 Jan 91

[From the "News and Press Review" program]

[Text] According to a report carried in RENMIN RIBAO, the party committee of the Shanxi CPC Committee and Shanxi provincial government persist in the policies of party leadership over cultural undertakings, of literature and art serving the people and socialism, and of letting a hundred flowers blossom and a hundred schools of thought contend, thus enabling cultural undertakings in Shanxi to thrive in the correct direction. In recent years, a large number of literary and artistic works popular with the masses emerged in Shanxi, which enliven the cultural life of the masses, enrich the spiritual food of the masses, exert a favorable influence on the sentiment of the masses, and promote the building of socialist spiritual civilization.

In this connection, today's RENMIN RIBAO frontaged a commentator's article, entitled: "Persist in the Principle of Literature and Art Serving the People and Socialism." The article pointed out: The problem of policy is an issue of guidance and of political direction. Only by persisting in the correct policy of serving the people and socialism can literature and art thrive and develop. Deviating from the party's correct policy and taking a wrong direction will only lead to extensive growth of poisonous weeds, not the thriving of literature

and art. Since we build socialism with Chinese characteristics, we should cultivate socialist literature and art with Chinese characteristics. The kind of literature and art should only be one that serves the people and socialism.

The article stressed: On the issue of the principle for literature and art, there have been controversies and struggles in recent years. The controversies and struggles are one of the most conspicuous indications of the confrontation between the four cardinal principles and bourgeois liberalization. Literary and art workers in some areas and units had for some time lost their direction and gone astray. It has been a profound lesson.

The article pointed out: To implement the party's correct policy and rectify the direction of literature and art, we should strengthen the party's leadership. Abandoning the party leadership means abandoning position and allowing the proliferation of thought associated with bourgeois liberalization. Of course, strengthening the party's leadership does not mean the party will interfere with the actual writing of a book or staging of a play. Generally speaking, the party's leadership means ideological and political leadership and leadership over principles and policies, which include the implementation of the principle of letting a hundred flowers blossom and a hundred schools of thought contend, organization of sessions of criticism and self-criticism, and helping people differentiate between right and wrong and truth and falsehood. In the past, the party committed the mistakes of leftism as well as rightism in literary and art work. Today, we stressed and proposed the strengthening of party leadership after correcting the mistakes of the past and after drawing lessons and summing up experiences. In order to avoid repeating past mistakes, it is necessary to persist in opposing the tendency whenever such a trend emerges. At present, the main thing is to continuously carry out an in-depth criticism of the thought of bourgeois liberalization and continuously do a good job in rectification. We should, through a comprehensive implementation of the party's policy on literature and art, bring about an even greater thriving of China's socialist literature and art.

### Article on Banned 'White Snow, Red Blood'

HK0701133191 Hong Kong CHIUSHIH NIENTAI  
in Chinese No 252, 1 Jan 91 pp 104-105

[Article by Pi Hua (3880 5478): "Opposing War—The Accusation Against the Novel *White Snow, Red Blood*"]

[Text] The CPC authorities have suffered a relapse of political allergy since the (1989) "June 4" Incident, with an extremely tight grip on ideology. Should writers and artists slightly "exceed the bounds," namely, deviate from the doctrines of the powers that be, severe punishment is ahead. *White Snow, Red Blood*, a report recounting the complete course of the three-year "war of liberation" in the northeast, as published by the People's Liberation Army [PLA] Publishing House in August

1989 has offended against the taboo. Consequently, the book has been banned and the author, Zhang Zhenglong [1728 2973 7127], has been held in custody for investigation. It is said that the PLA Publishing House editorial department will be disbanded and reorganized. Another source has it that Yang Shangkun, one of the CPC founding fathers, has categorized *White Snow, Red Blood* as "a book which curses the Communist Party" and the CPC Central Committee has promulgated an order banning the book.

### Mao Zedong's Perspective on War

Lieutenant Colonel Zhang Zhenglong was born into a railway worker's family, brought up under the red flag, and was appointed a clerical worker in the propaganda section of a group under the Shenyang Military Command. *White Snow, Red Blood* aims to give an account of the Liaoxi-Shenyang Campaign and the strategy of the CPC's military and government leaders at that time; nevertheless, the book expresses antiwar sentiments and opposes tampering with history. It advocates "refraining from ignoring mistakes, excessive criticism of the enemy, exaggeration, and praising fictional feats, and 'telling the truth as it stands' as exhorted in ancestral teachings." Consequently, disaster has befallen the author.

The CPC has its own peculiar perspective on wars.

In the article "On Protracted War," Mao Zedong said: "History shows that wars are divided into two kinds, just and unjust." He was certain that revolutionary wars were just and that a just war "is an antitoxin which not only eliminates the enemy's poison but also purges us of our own filth." He also said that "every just, revolutionary war is endowed with tremendous power and can transform many things or clear the way for their transformation." In the article "On Contradictions," Mao Zedong said: "Revolution and revolutionary wars are inevitable in a class society. Without them, it is impossible to accomplish any leap in social development and to overthrow the reactionary ruling classes and, therefore, impossible for the people to win political power."

No one has dared oppose Mao Zedong's perspective on war in the past and it was not until recent years that it has been questioned. For example, the 1989 No. 1 issue of *BAIJIA* [A HUNDRED SCHOOLS 4102 1367], a journal of literary criticism, carried an article by Kang Xia [1660 1115], entitled, "Perspective on War: An Unavoidable Topic—Thoughts on War Novels in the New Historical Stage," in which he called Mao's perspective on war "the quintessential theory," which continues to lead to indifference to the grave effects of war on mankind's ecological balance, exaggeration of the role of war, the belief that war is the most effective way to settle political disputes and, eventually, a mania for war.

### The Imagery of *White Snow, Red Blood*

If we study the book carefully, we will find a passage discussing the world's realities outside China: "Today, a

prime minister, premier, or a president will be upset by any hostage-taking and spend many sleepless nights, while doing his best to mediate through various channels to rescue the hostage." "This fully shows how a nation and mankind feel for humanism, civil rights, man's dignity and value, and the sense of independence in civilization's progress."

When we read the book's narration about the defense of Siping during the Kuomintang [KMT]-CPC Civil War, we find Mao Zedong speaking without reservation: "We must be prepared for scores of thousands of casualties and be determined to pay the price to bring about a new situation." In actuality, that was a hopeless battle in a situation by which enemy forces far outnumbered ours. The consequent losses were severe, costing the lives of some 8,000 cadres and soldiers.

The book describes how things were in the wake of the Xiuzihe operation: "Plots of snow-covered ground were scorched black inside and outside the village. They were pitch black against the snow, and there was blood, here and there, which stained the snow red. The white snow was whiter than ever and the blood redder against the snow; white snow, red blood—it was the first time in my life that I had ever witnessed such horror."

This imagery of "white snow, red blood" recurs every now and then in the book and became the book's main tone, reflecting the author's antiwar sentiment.

### No Bloodshed in the Siege of Changchun

Regarding the siege of Changchun, *White Snow, Red Blood* provides us with the following description:

"Turn Changchun into a dead city" was the CPC Operational Headquarters' strategy set 30 May 1948.

At the 28 June political work meeting regarding the siege of Changchun, it was stressed repeatedly to block all means of subsistence to the enemy, including grain, vegetables, fuel, cattle, and horses and to sever all communications between people within and outside the city and all commercial ties, while proposing the slogan: "The enemy shall not have a single grain of rice nor a single blade of grass. Let the Chiang Kai-shek bandits starve to death inside the city walls!"

Lin Biao and Luo Ronghuan, who were in command of the siege, wrote a report to Mao Zedong on 9 September, saying: "Our chief measure is to ban passage. Those coming out are to be turned back." Later, civilians were not allowed to leave the city and those who came out were shot, causing an instant, massive death toll.

Here, the author could not help sighing: "None of the sufferings in the world could hold a candle to the ill fate of the ordinary people!"

The CPC official record of Changchun's "liberation" was that having gone through several months of siege, some of the KMT troops revolted and crossed over, while the rest surrendered in the wake of the CPC troops



taking Jinzhou. It stated that "no bloodshed was involved" but the author believes, in actual fact, it was the unarmed men in the street who were sacrificed.

He quoted from a 24 October 1948 edition of the Nanking CENTRAL DAILY NEWS, which read: "Based on the most conservative estimate, the total number of dead bodies of men and women, old and young, could not have been less than 150,000 lying about the fields around Changchun in the four months between late February and early October."

Changchun was literally reduced to a dead city at that time, a ghost city at that. Not without feeling, Zhang Zhenglong says: "It was unprecedented at all times and in all countries that so many people should have been starved to death for war in a single city!" Here the author fully reveals the cruelty of war and his antiwar sentiments.

#### Who Should Be Held Responsible for the Disaster?

But the author did not stop there. He raised one further question: "In Changchun, where 'no bloodshed took place,' who should be held responsible for the piles of civilian dead bodies?"

The author cited an example from the Soviet movie "The Defense of Moscow." When the city was under siege by the German troops and the Red Army was ready to fight to the end, the commander issued an order to the elderly, women, and children, saying: For Russia, you must leave the city and surrender to the enemy. Whereas in the book *White Snow, Red Blood*, the KMT troops allowed the civilians to leave the city but the CPC troops would not let them; consequently, they starved to death in the city. The author compares the siege of Changchun with the Tangshan earthquake and the Nanking Massacre, and poses the question: "Natural calamities; mankind mutilating each other; invaders knifing innocent people; and brothers slaughtering each other. Is there any difference between them?"

Such words, unpleasant to the ear, would inevitably rouse the wrath of the people in power who had earlier suppressed students with tanks. The fate of the author is really a cause for worry.

#### Article Discusses Antipornography Strategy

OW0701121091 Beijing BAN YUE TAN in Chinese  
No 22, 25 Nov 90 pp 8-10

[Article by staff reporter Lu Zuyi (6629 4371 3015): "There Certainly Is a Sound 'Antipornography' Strategy"]

[Text] Begun in the latter half of last year, the nationwide "antipornography" campaign has won quick and remarkable success. As of the end of this August, 32 million copies of banned books and periodicals and 2.4 million audio and videocassettes have been seized throughout the country. More than 3,200 criminal spots in connection with making and selling "pornographic" materials and illegal publications have been raided, and

nearly 80,000 criminal offenders have been punished according to law. Penalties and money confiscated have amounted to some 9 million yuan. In addition, over 780,000 copies of banned publications smuggled into the country have been seized and confiscated.

These achievements are exciting. Indeed, the campaign has effectively checked the unscrupulous trend of spreading publications and audio and video tapes disseminating obscenity, pornography, violence, and feudal superstition. It has cleansed our social atmosphere, reduced pollution of the people's minds, especially young people, and assisted in the task of building a socialist spiritual civilization. Without exception, the broad masses are applauding the achievements and praising the campaign as an action benefiting their descendants and yielding tremendous advantages to the public.

However, this is just a good beginning, and the struggle is far from over. In some localities, while "antipornography" efforts are being made, there are still people producing and selling "pornographic" materials. One the one hand, there is an explicit order banning obscene and pornographic publications; on the other hand, some people have used the trick of changing the appearance of these banned materials and redistributing them. A few publications units and printing shops closed down by the government in the "antipornography" campaign are now still conducting illegal activities in secret.... [ellipses as printed]

These alarming facts remind us that the "antipornography" campaign is not merely the banning of a few bad books or some obscene magnetic tapes. Rather, it is a test of strength between proletarian and capitalist thoughts in the ideological field and an integral part of the struggle against corrosion and "peaceful evolution." In this struggle, it is impossible to get something done once and for all or to achieve permanent success after one or two surprise raids. The struggle is like cleaning the yard; we have to take up the broom and sweep it every day.

It is absolutely necessary to keep a clear head about the reappearance of "pornographic poison" and its hidden existence. At the same time, we must have some way to control it. Some people are at a loss about what to do in this regard. In fact, however, we do have a sound strategy for this. In the "antipornography" campaign over the past year, many good experiences yielding effective results have been gained in various parts of the country. These experiences can be used as references. Chief among them are as follows:

**We should cut off the sources and streams and dig out the sales and production networks of "pornographic" materials.** This is a radical method. The producers of the "pornographic poison" are the sources, and those selling and disseminating the "pornographic poison" are the streams. They include underground editorial and publishing units, clandestine printing shops, dens for reproduction of pornographic audio and videotapes, spots of prostitution and hooliganism, underground distribution and sales groups, and underground units making and



playing pornographic tapes. These polluting sources can be greatly reduced if we concentrate our efforts on investigating them, digging them out, and destroying them. Since last year, many provinces and municipalities have used this method with remarkable results. For example, from October last year to May this year, Shaanxi Province raided 192 such production and sales spots and, as a result, cleansed its cultural market.

**We should focus attention on wholesale links to block supply channels.** The appearance of "pornographic" materials on the book market stems mainly from wholesale channels. The key to success in rectifying the book market is to strictly control wholesale links. In this respect, the experience of Beijing Municipality is valuable. It has stepped up the education and rectification of wholesale bookstores that are already in existence and, at the same time, strictly screened applications for establishment of new wholesale bookstores. A system has also been instituted whereby samples of literary works and books and periodicals on sexual knowledge offered wholesale are sent to the Press and Publication Bureau for approval. Under this system, all such books and periodicals must be approved before they can be purchased or sold wholesale. That is, the Press and Publications Bureau maintains control over such books and periodicals. In the meantime, individual book stalls and retail bookstores are strictly prohibited from doing wholesale business. Violators will be dealt with for conducting illegal activities. If a wholesale bookstore is found to have seriously violated law and discipline, its business license will be revoked.

**Making Constant Efforts To Educate, Guide, and Control Book Stalls Owned by Individuals** There are millions of individual book stalls throughout the country, and what they deal in has an important bearing on the cultural market. Therefore, control must never slacken. At present, the general method of control is as follows: Rectifying existing owners of individual book stalls, who are permitted to operate their business only at a fixed location and on the basis of having obtained a license. Book stall operators who fail to meet requirements and who violate the law will have their license revoked after investigation. In addition, education on policies and regulations will be strengthened among individual book stall operators who are organized, according to localities, to take part in regular study and mutual supervision and to govern themselves. Wholesale bills are required in operating book stalls. All individual book stalls must order their books and publications from wholesale book dealers in their locality, and they must retain wholesale bills for inspection. Books and publications without such a bill will be considered illegal. These methods are simple, explicit, and easy to study.

**Major and Important Cases Should Be Investigated and Handled in Earnest and Law-Breakers Seriously Dealt With** The majority of the major and important cases involving the manufacture and sale of pornographic material are created by criminal groups. They have a great number of people working for them, many sales

outlets, and extensive social connections; they wield great influence because they manufacture and sell a large quantity of pornographic materials. The arrest of one will usually lead to the exposure of a number of people. Therefore, quite a number of areas have for a time made the investigation and handling of major and important cases the focal point of the antipornography campaign. Jilin, Gansu, and Hebei provinces, as well as Beijing Municipality, have made breakthroughs in this respect by uncovering a number of groups engaged in manufacturing and selling pornographic materials. These groups have illegally published many kinds of pornographic books and have printed from several hundred thousand to millions of copies of these books. The uncovering of these groups has frightened many makers and sellers of pornographic materials.

**Enact and Improve Laws and Regulations; Control the Audio and Video Products Market According to Law** An important reason why the "poison of pornographic materials" could wreak havoc in the past is that there were many loopholes in our incomplete laws and regulations. Since the beginning of last year, many governments and cultural, public security, industrial, and commercial departments in many localities, supported and guided by local People's Congress standing committees, have drafted or formulated regulations for the administration of books, newspapers, periodicals, and audio and video product markets; provisions for the administration of the making of television dramas; provisions on investigation and prohibition of harmful publications; and systems of examining books. Some areas have also improved policy study and policy training in order to clearly distinguish between what is pornographic and nonpornographic. All these have enabled many localities to gradually improve their administration of the cultural market in line with the law, thus enabling the constant antipornography campaign to proceed smoothly.

Although the methods mentioned above should be adopted in light of local conditions, it is easy to see that they play a common role in stopping the flow of pornographic materials. To carry out the antipornography campaign successfully by learning from these experiences, various areas have mobilized the masses, relied on the strength of all circles in society, integrated specialized contingents with the forces of society, combined concentrated control with intensified constant administration, and integrated efforts to crack down on pornographic materials with those to promote prosperity. If these efforts are continued, great results will be achieved in one to five years. In order to wipe out the "poison of pornographic materials" and reduce and prevent relapses, since 1987 the government of Wuhan City has organized the press, publication, public security, industrial, and commercial departments to coordinate in straightening out the book and periodical market on the eve of such festivals as new year's day and the lunar new year. Their practice, similar to that of cleaning up the environment to greet a festival, has become institutionalized. After concentrating their efforts on straightening out the book and periodical

market, many areas have followed up with constant control and the enactment of laws and regulations, thus enabling the administration of book and periodical markets to be carried out constantly and legally. Similarly, their methods are worth learning from.

The national meeting on antipornography, held in Beijing on 22 October, made the following suggestions: Another large-scale national drive to wipe out pornographic materials will be organized this winter and next spring. The purpose of this drive is to consolidate the achievements we have made and cope with new trends in the current book, periodical, audio and video product market. As long as all areas earnestly sum up and learn from the experience of the past year and work soundly, they will certainly be able to advance the struggle of this winter and next spring to a new level.

#### Article Promotes Education on Atheism

OW0501211691 Beijing XINHUA Domestic Service  
in Chinese 0816 GMT 5 Jan 90

[Text] Beijing, 5 Jan (XINHUA)—In its "Public Opinions Column," GUANGMING RIBAO today carries an article by Zhou Zhiqiang, entitled, "Do Not Neglect the Education on Atheism." Its full text is as follows:

On the first and fifteenth days of each lunar month, this writer can always see some children, with a childish and devoted expression, burning joss sticks, kowtowing, chanting scriptures, and praying to Buddha in front of temples in many places. This, surprising as it may be, is a fact.

Why do we have these small believers? I am afraid this has something to do with the negligence of education on atheism, if we get to the bottom of the matter. In recent years, Marxist education in the ideological field has become slack. Dregs of old thinking, ideas, ideologies, characteristically backward and nonscientific in nature are coming up to the surface. Feudal thinking and superstitions prevail, while atheism is left out in the cold. This is something which really worries us.

Using an analogy of work in the ideological field, Comrade Mao Zedong once nicely put it this way: "Dust will not run away from places by itself where a broom cannot reach." We should apply this method in treating the vestiges and accumulated dirt of old ideologies and thinking. If Marxism does not occupy ideological and cultural fronts, non-Marxist stuff inevitably will. Therefore, it should be considered an important task to strengthen education on atheism among the people. "We want no condescending saviors to rule us from their judgment hall. We workers ask not for their favors. We ourselves must decide our duty. We must decide and do it well." In the building of socialist material progress and cultural and ideological progress, we should not forget to raise high the banner of atheism advocated in "Internationale."

#### Article Criticizes Liu Zaifu's Literary Theory

HK0701023991 Beijing WENYI BAO in Chinese  
8 Dec 90 p 3

[Article by the State Education Commission Social Sciences Research Center: "Summary of the Seminar on the Question of Literary Subjectivity—Criticizing Writer Liu Zaifu"]

[Text] The Literary Subjectivity Seminar was held 2-5 December in Jinan, Shandong. It was jointly organized by the State Education Commission Social Sciences Development and Research Center, Shandong University, the Chinese Academy of Social Sciences Institute of Literature, the "WENXUE PINGLUN" [LITERARY COMMENTARY] editorial department, China Art Research Academy Institute of Marxist Literary and Artistic Theories, the "WENYI LILUN YUN PIPING" [LITERARY AND ARTISTIC THEORIES AND CRITICISM] editorial department, the Beijing University Chinese language faculty, the Chinese People's University language faculty, the Beijing Teachers' University Chinese language faculty, the Wuhan University Chinese language faculty, and the Sichuan University Chinese language faculty. Sixty scholars, theory workers, and journalists attended the seminar.

Comrades at the seminar unanimously held that literary subjectivity is an important theoretical question. Marxism has consistently attached importance to subjectivity and stressed the role and functions of the subject in literary and artistic questions. However, for a period of time, owing to the influence of extreme "leftist" ideas and metaphysics, we did have the weakness and shortcoming in overlooking the subjectivity in our literary and artistic theories and creation. Therefore, it is completely necessary to strengthen the study of literary subjectivity by using the Marxist stand, viewpoint, and methods. However, former WENXUE PINGLUN chief editor Liu Zaifu's theory on literary subjectivity did not follow the track of Marxism. He not only confused right and wrong in ideology and caused an adverse influence on socialist art and literature, but also, politically, served to help the overgrowth of bourgeois liberation ideas. Therefore, we must seriously straighten things out.

Liu Zaifu's literary subjectivity theory is a subjective idealist literary view. He divided the literary subject into the spiritual and practical subjects, and placed the former above the latter with the result that the practical subject becomes the spiritual subject's tool. He then conferred on the spiritual subject absolute independence and a limitless power that determines the object and controls everything. He held that the spiritual subject's determining power can never be realized in reality, but can be and should be realized in literature. In doing so, he, as some comrades at the seminar maintained, has confined the subject in the independent, objective, self-initiated, spiritual realm, with the result that it becomes a purely illusory spiritual symbol that does not have any foundation of reality or objective content. This subject,

or literary subject, never exists in reality and is a mere objective idealist philosophical supposition. To advocate that this subject determines everything in literature is to naturally negate that social life is the only fountain of literature and art. This in turn negates the literary theory of reflection, and also naturally negates the limitations of time, society, and class on writers. This in turn negates the class, social, and time natures of art and literature. This is not only fundamentally different in principle from the subject or literary subjectivity as the Marxist understanding, but is completely out of keeping with the objective reality of literature and art.

Liu Zaifu's literary subjectivity theory specifically advocates the historical idealist view. He reviewed history with the "human essence of freedom" and abstract human nature, advocating the abstract historical formula of man-nonman-human nature recovery. He included all real societies, including socialist societies, in the "alienated" society, in which man has no "freedom" but is "full of human miseries," and thus he makes the "loss of subjectivity" the general characteristic of real societies. He then urged writers to "return to themselves," "make a free choice," and "realize themselves" in literature to "get rid of man's unfree and incomplete form of existence." Comrades at the seminar stated that in fact neither the a priori and abstract "human essence of freedom" exists nor does the absolute freedom that does not have a historical premise or social content. Since Liu Zaifu negated man's social nature and the objective law of historical development, his "free choice," "self realization," etc only amount to unrealistic empty talk, or to one that he relied on to oppose socialism. Comrades at the seminar also remarked that literary creation is certainly free spiritual labor, but is, fundamentally speaking, a spiritual product of a particular ideological nature. Therefore, they held that its freedom is historical and concrete freedom, but is not an absolute or abstract freedom. Our literature and art serve the people and socialism. This is the high degree of unification of this kind of historical and concrete freedom and the socialist ideological nature.

Proceeding from the abstract human nature, Liu Zaifu regarded the abstract humanitarianism as the banner of literature, and used panphilanthropy to overcome the so-called "socialist alienation," and used the "tear literature" to criticize socialist reality. Comrades at the seminar stated that the starting and end points of his humanitarianism is "ego" and is the "shift of love" proceeding from the love for oneself, by which one finally "obtains the ultimate sense of self value." Therefore, this sort of humanitarianism is totally hypocritical, and its real theoretical content consists of extreme individualist values. In fact, "returning to oneself, asking from oneself, limiting oneself by himself, realizing oneself by himself" are Liu Zaifu's fundamental literary views, which demonstrates a strong influence of self-centered existentialism. Comrades at the seminar remarked that literature cannot be separated from oneself as it needs the writer's sincerity and his peculiar

artistic character, and that in literature, however, we should not diametrically oppose "loyalty to oneself" and loyalty to the people and reality. The writer's sincerity is the subjective aspect of the artistic reality. By onesidedly emphasizing writers' "complete sincerity," Liu Zaifu negated the demand of art's objective truth. There are good and bad artistic individual characters as well. Only those that strongly demonstrate the truth of the times, facts in society, and people's true feelings are high-grade and superior artistic individuals. By one-sidedly urging writers to be only "loyal to themselves," he will inevitably separate them from modern life and from the masses. This once and for all destroys the formation and development of artistic individual characters. Therefore, the literary views of self-expansion and self-realization propagated by Liu Zaifu also conflict with the objective law of literature and art.

Liu Zaifu's theory on literary subjectivity possesses irrational coloring. He advocated the irrational deep-level self-realization, made the instinct of sexual passion the fundamental force of literary creation, exaggerated the role of consciousness in literature, made nonconsciousness the basic characteristic and ultimate realm of literary creation, irrationalized literary and artistic passions, and advocated the "love because of love" and a "love for which no one knows why," and the like. Comrades at the seminar said that some irrational factors do exist in literary creation. We should, on the premise of acknowledging the guiding role of a world view and acknowledging the fundamental rational nature of literary creation, examine the role and functions of irrational factors in literary creation. But Liu Zaifu copied the West's psychoanalytic theory to irrationalize literary creation. By urging writers to be "completely natural," he led writers away from social life and to discharge any sense of responsibility in society, and abandoned transforming one's subjective world while transforming the objective world, and thus he pursues self-realization, all proceeding from one's own craze and hope. In this way, he confines the literary subject within the universe, and pins it in the instinct of sexual passions and subconsciousness that need no rational review and that are completely voluntary.

While discussing and analyzing Liu Zaifu's literary subjectivity theory, comrades at the seminar also explored the historical reasons and political tendencies of its origins. They held that it was the result of the impact of the West's existentialist, neo-Kantian, neohumanist, and Freudian ideas on the one hand, and was the conscious natural product of bourgeois liberalization ideas on the other, which became more and more rampant. Beginning with his opposition to the "mechanical theory of reflection," "vulgar sociology," and "taking class struggle as the key link" in the literary and artistic realms, he developed into distorting Marxism and other literary theories more systematically and comprehensively, and scorning materialist dialectics and the materialist historical view. This has become a quite typical reflection of the development of bourgeois historical view, values,



and literary and artistic views in literary and artistic realms in recent years, and provided the theoretical basis for bourgeois liberalization ideas. Liu Zaifu's theory on literary subjectivity shows an obvious tendency diametrically opposed to basic Marxist principles and a tendency that deviates from our socialist reality today. Comrades at the seminar held that the theory is in fact a politicized science or politics under the signboard of science. If we do not analyze the theory by its political tendency, we will have difficulty making an in-depth evaluation of it.

Delegates at the seminar said that Liu Zaifu directly advocated the theory on "national salvation taking priority over enlightenment," the "theory on the abortion" of socialism, and the "theory on learning additional lessons" from capitalism. He held that the "loss" of the enlightening spirit and "subjectivity" of the "May Fourth Movement" is because the "task of saving the nation" "took the place of the task of enlightenment," and because "when the feudal society was directly changing into modern society, a strong class of free professionals and corresponding modern politics, economics, and a cultural foundation were not established," in which the development stage of commodity economy based on barter was lacking, or rather the lack of a social formation in which man's independence is possible." He viewed with certainty the enlightenment movement period at the early capitalist stage as the paradise for intellectuals, advocated that the "social formation in which commodities are exchanged under free competition" is the "soil of reality" for cultivating writers and artists' "subjectivity," "personal characters, consciousness of self, and the spirit of independence." In this way, he not only distorted the history of the new democratic revolutions but also directly linked his call for "subjectivity" and "literary subjectivity" with the capitalist road.

Liu Zaifu trumped up the so-called "historical role exchange" theory. He held that in order to maintain "subjectivity," intellectuals can only be and forever be the "first enlightened and the enlighteners" while peasants can only be and forever be the "ones to be enlightened and transformed." He maintained that literature and art shall only serve to "educate the masses," and he was opposed to the idea that literature and art are to be "popularized." He held that the "wavering" of intellectuals is a precious virtue of modern culture." He scorned the party's "confirmation regarding the cultural concept that peasants' cultural spirit and cultural psychology are the most advanced and most accurate," holding that exactly by receiving the "reeducation" by peasants, writers are having "cultural and spiritual recession," and exactly in the process of integrating workers and peasants and praising them, the literary period with intellectuals taking the leading role ended a historical stage." Comrades at the seminar held that Liu Zaifu's arguments negated once and for all the revolutionary literary and artistic tradition, and literary and artistic achievements since the "May Fourth Movement," and the historical

contribution and theoretical values of the "Speeches at the Symposium on Literature and Art Held in Yanan" with Mao Zedong's literary and artistic thought as the nucleus. He also negated once and for all the literary and artistic two-purpose direction, and vigorously made public opinion for "elite literature and art."

Liu Zaifu also concentrated on distorting the party's policies and principles for literature and art since the PRC's founding, holding that during this period the party generalized and continued with all the special policies and special concepts expedient during the war-time, "limited writers and artists' "better development freedom," "put art on the track of politics altogether," with the result that writers and artists have lost the "possibility of having numerous choices," that they are trapped in the "generalized depression of the times," and that their "sense of political guilt" has been further strengthened. Comrades at the seminar said: In fact, there have been many mistakes and weaknesses in literary and artistic work since the PRC's founding. Criticism and summing up lessons of this is, of course, welcome. Liu Zaifu once and for all and comprehensively negated the party's work for literature and art, and painted a "picture of the suffering" of vast numbers of intellectuals and a "picture of the dulling" of literature and art, thus sowing dissension in the relations between the party and intellectuals. This results in the obliteration of the achievements of the socialist literary undertaking, and harms the party's leadership in literature and art work and its sticking to the socialist literary and artistic orientation.

Liu Zaifu went on to propose that a so-called "revolution of literary form" with clear-cut political coloring be carried out. He said that Marxism is "virtually the rule of literary form" and of "autocratic ideology." In order to "emancipate the mind" and "to enable it to obtain the greatest freedom," it is necessary to carry out a "revolution of literary form" in Marxism to "shatter" its "arbitrariness which plays a role as the master" and to usher in an "era of independent and diverse literary forms." He said in an inciting manner: "The Chinese should now have a new realm of thought, and should not place their hope on one form that is all-powerful and perfect." Comrades at the seminar said that such remarks are meant not only to weaken and replace the guiding role of Marxism in our ideological and cultural realms, but also to obviously directly attack and negate once and for all the Marxist system of thought.

Comrades at the seminar held that Liu Zaifu's literary subjectivity theory has caused havoc on literary creation, and that it not only helped the overgrowth of bourgeois liberalization ideas in literary and artistic circles, but also led to a great slope back and great recession in literary and artistic creation, and that such an influence should be conscientiously analyzed and straightened out.

Comrades at the seminar unanimously held that the lesson that Liu Zaifu has left with us is extremely profound. First, we must attach importance to the



struggle in the ideological realm, and must pay attention to the leading power in the ideological realm on the plane of thwarting subversion and peaceful evolution. At present, we must resolutely and unswervingly oppose bourgeois liberalization and ensure the deepening of socialist reform and opening up. Second, we must vigorously bring up reliable successors of the proletarian revolutionary cause. For those young and middle-aged cadres who have been selected, we should make efforts to enable them to become sober-minded Marxists. We should insist on placing strict demands on them, and try and examine them in the process of practice, and receive the supervision of the masses. The fact that Liu Zaifu gradually turned his back on and negated Marxism cannot be separated from some comrades' tolerance with mistakes and abandoning education, and even their support and indulgence. Today, we still hope that those comrades who have made similar mistakes to Liu Zaifu's will learn and understand, receive the party's education, and make efforts to come back to the right position. Third, we must strengthen the study of Marxist theories, stick to and apply basic Marxist principles, examine new situations, resolve new problems, and continue to develop Marxism. Comrades affirmed that many Marxist and constructive ideas on the subjectivity of literature were forwarded at the seminar. They hope that study will be continued in the future so that the progress of the arts and the sciences and the development of a flourishing socialist culture be promoted, and that while sticking to and developing Marxist literature, art, and sciences we should continue to score new achievements, and promote the prosperity of socialist literature and art.

#### Article Urges Upholding Party's Basic Line

HK0701034391 Beijing RENMIN RIBAO in Chinese  
31 Dec 90 p 4

["Conduct Education on the Party's Basic Line in an Extensive, Intensive, and Sustained Manner"; article by Wang Renzhi (3769 1804 0037), serving as the preface to the book written by He Zhukang and entitled *Essentials of the Party's Basic Line*]

[Text] As far as I have learned, the Jilin Provincial CPC Committee always attaches great importance to education on the party's basic line. The provincial party committee regards this work as the main theme of the party's ideological construction, or even the entire ideological and political work, and has grasped it firmly. It has carried out the work in an extensive and intensive way and used it to guide and bring along all other work. The provincial party committee has arranged for party organizations at all levels to grasp well this capital construction in the political and ideological field and organized theoretical, propaganda, cultural, and educational departments to carry out propaganda and education in this respect by various means. Moreover, the leaders of the provincial party committee, especially Comrade He Zhukang, the secretary, has personally gone to the grass-roots units to explain the party's basic line. This book, "The Essentials of the Party's Basic Line,"

was completed by Comrade He Zhukang on the basis of his lectures given to universities, party schools, and the masses after substantiating, enriching, and extending their contents. By combining theory with practice, it systematically and profoundly expounds the course of formation, the main contents, the importance, and the implementation of the party's basic line. It is a good teaching material for education on the party's basic line. Moreover, it is also an encouraging and significant thing that the leading comrades of the provincial party committee should take the lead in studying and publicizing the party's basic line.

The party's basic line, with "one center, two basic points" as the main content, is the continuation, enrichment, and development of the party's line mapped out since the 11th CPC Central Committee's Third Plenary Session. It is the general program for building socialism with distinctive Chinese characteristics in the initial stage of socialism. Both history and reality have repeatedly proved that whether we have such a basic line and whether we can implement it correctly and in an overall way is a matter concerning the destiny of our party and state and the future of our people. Just as is stated in the book, the party's basic line is the lifeblood of our party and state. It did not come easily, and it is more difficult to implement and realize it. This depends on the common efforts of all party comrades and the broad masses.

As early as the 1940's, Comrade Mao Zedong already pointed out clearly: "We must be good at translating the party's policy into action of the masses, be good at getting not only the leading cadres but also the broad masses to understand and master every movement and every struggle we launch. This is an art of Marxist-Leninist leadership." The party's basic line comes from the masses and reality. It is an outcome of combining the leadership with the masses and combining theory with practice. It is all the more necessary to go to the masses and to reality so that it can become a conscientious action of the broad masses of people. In this regard, the most important thing is to make the party's basic line recognized, understood, and mastered by the masses. A fundamental measure for solving this problem is to carry out education on the party's basic line in an extensive, intensive, and sustained manner.

To carry out this education in an extensive manner, it is necessary to make it accepted by the masses. The party's basic line should be explained in simple terms and in vivid and concrete ways rather than in a dull and uninteresting way, so that the masses will find it interesting and accept it with delight. To carry out education in an intensive manner, it is necessary to make education full of profound theories aiming at some major problems. It is necessary to proceed from the high plane of theory and answer and resolve, systematically and in an overall way, the theoretical questions and problems of understanding among the broad masses of people when comprehending and implementing the party's basic line, expose the peaceful evolution plot of the international

hostile forces, criticize the fallacies spread by the advocates of bourgeois liberalization, and clarify the confusions and perplexity in the ideological field caused by the ideological trend of bourgeois liberalization and the changes in East Europe. We must not just propagate it in very general terms. It is also necessary to carry out education on the party's basic line in a sustained manner and combine it with other study and educational tasks, so that it can run through the contents for all other education tasks and routine ideological and political work. Problems cannot be solved merely by carrying out education once or twice. In the final analysis, to carry out education in an extensive, intensive, and sustained manner, substantial results must be achieved. It is necessary to adhere to the principle of combining theory with practice. To deepen the understanding of the basic line's rich intensive meaning, it is necessary to link it to the abundant realities, especially our national situation, history, and the fresh experiences of reform and opening up. Our purpose and emphasis are the same—to realize it. It is necessary to realize it through education and under guidance. It is necessary to study and solve the long-standing problems and unify our action on the basis of reunifying thinking so that education on the party's basic line can be further strengthened in the course of building socialism with distinctive Chinese characteristics. Comrade He Zhukang's "Essentials of the Party's Basic Line" is a good book. It is especially good in the following aspects: First, it makes a comparatively systematic, profound, and overall exposition on the rich intensive meaning of the party's basic line and applies dialectical and historical materialism in understanding the internal relations between the essence of the party's basic line and various major elements. Second, it explains the practical experiences of implementing the party's basic line in a realistic manner to guide and promote the implementation. Third, using abundant historical and reference materials and speaking with facts, it is comparatively more vivid and substantial in expounding the party's basic line and becomes more convincing and attractive.

The party's basic line for the initial stage of socialism was formed through the efforts of more than 30 years. It will also be a long course for us to implement and realize it. Therefore, it is a long-term strategic task for our ideological and political work to carry out education on the party's basic line. As the party's basic line represents the fundamental interests of the broad masses of people, studying, mastering, and implementing it is the masses' own affair. We hope that the vast numbers of readers will conscientiously study Marxism-Leninism and Mao Zedong Thought, the works of Comrade Deng Xiaoping and other proletarian revolutionaries of the older generation, the important expositions made by the new central leading collective with Comrade Jiang Zemin as the nucleus, and some good political and theoretical works so that they can continuously increase their political and ideological quality and enhance their consciousness in implementing the party's basic line, and so that our

socialist cause can advance victoriously in the direction pointed out by the party's basic line.

#### Article Analyzes Worker-Peasant Disputes

HK0601053091 Beijing RENMIN GONGAN BAO  
in Chinese 7 Dec 90 p 3

[Article by Wu Shuqiang (2976 2579 1730): "A Preliminary Analysis of Worker-Peasant Disputes Affecting Social Stability"]

[Text] At present, the disputes between workers and peasants account for an increasing proportion of various factors affecting social stability. Nanzhao County in Henan Province is an area where many enterprises are located and is also a key section of the multiple track project of the Jiao-Zhi Railway. Since 1989, 16 cases of worker-peasant disputes on different scales because of various reasons have occurred in this county. Five of them were rather serious and produced adverse effects on social stability. According to the investigations concerned, these disputes had the following characteristics:

1. The disputes were caused by various problems. Among various causes of the disputes, the following four points were most usual. First, the ownership of roads and water sources was not clearly defined, and the line of demarcation was not clearly delimited. Second, the discharge of waste water and materials caused disputes. Third, the employment of temporary and seasonal workers and the conclusion of labor contracts caused disputes. Fourth, disputes were caused by various trivial matters in day-to-day life. Disputes between workers and peasants caused by various factors may suddenly occur at any time. If some trivial matters were not solved in good time, they might also cause disputes or even conflicts. A railway engineering team was showing a movie on the construction site inside Taishanmiao Township, some local villagers threw cigarette butts at the crowd and offended some workers. The two sides then began to curse and fight each other.

2. A large number of people may be blindly involved in the disputes. Whenever disputes between workers and peasants occurred, both sides could mass large numbers of people in a short time. At the beginning, many people just gathered to see what had happened for fun; but with the development of the dispute, many people would wittingly or unwittingly be involved. This enabled a small number of troublemakers to foment discord and magnify the scope of disputes. In March 1990, a factory truck crashed into an area of a wheat field. When this was discovered by peasants who were working there, they began to quarrel with the factory workers. The two sides gathered several hundred people to the scene before long, and the quarrel soon developed into a fierce fight, which ended up with a tragedy of one person killed and several wounded.

3. The investigation and handling of such cases were complicated and difficult. The sudden occurrence of disputes between workers and peasants and the large

number of people involved in such disputes brought a great deal of difficulties to the departments concerned in investigating and handling such cases. Each of the conflicting sides would stick to its own version of argument and pass the blame to the other side. It was hard to collect evidence from the many people involved. Many important facts could not be clarified, and the cases could not be resolved over a long time.

4. Such cases were seriously harmful and unfavorable to social stability. Compared with ordinary civil disputes, disputes between workers and peasants did greater harm to social stability. First, such disputes would affect a large scope of society, as the two conflict sides could form a clearly defined alignment and the number of people involved in the disputes could be larger than that in other disputes. In particular, workers came from all parts of the country and had extensive relations with other localities. The information could be sent far to other localities and cause panic among their relatives and friends there. Some workers were persuaded by their care-laden relatives and friends to leave. Second, such disputes affected the smooth development of economic rectification and construction. Disputes between workers and peasants certainly affected the two sides' normal production, reduced economic results, slowed down the speed of production, and even caused industrial accidents as some workers could not concentrate on their work. Third, such disputes affected the unity between workers and peasants. In localities where disputes occurred between workers and peasants, many peasants were not willing to sell their products to workers. They even dug ditches, damaged roads, and even laid siege to factories. On the other hand, the workers were not willing to provide support and assistance for local inhabitants. This was unfavorable to the consolidation of the worker-peasant alliance.

The root causes of such worker-peasant disputes were multifaceted. They are mainly as follows:

1. Trouble was caused by various old traditional ideas. Feudal localism, traditional small peasant mentality, and narrow-minded departmentalism were the ideological root causes of the disputes between workers and peasants. The 16 cases of worker-peasant disputes occurred because some villagers, especially some village cadres who posed as "local despots," kept strong conservative and small peasant mentality and claimed unreasonable pecuniary and material compensations from the factories and railway authorities concerned but failed to get satisfactory results. A village party branch secretary led more than 500 villagers who drove more than 30 farm animals into a factory to make trouble after one villager was criticized for driving cattle across the factory area in violation of the regulations. On the other hand, some workers adopted an arrogant attitude toward local peasants and capitalized on their status as workers in state enterprises or key projects. They did not care about peasants' difficulties and impaired local people's interests. In some disputes, a small number of leaders even added fuel to the disputes and personally directed

actions against the local peasants under the guise of safeguarding workers' interests.

2. Property rights were not clearly defined; the line of demarcation was not clearly delimited; and there was a lack of unified coordination. Disputes often occurred between factories (railways) and local peasants over ownership of relevant roads, land, and slopes and over the delimitation of the boundary concerned. In some cases, although the issue concerning the ownership of property rights was solved, no explicit legal procedures were passed; in some other cases, the agreements concluded long ago were not revised in good time according to the changes in actual conditions, and new contradictions were thus caused; in still other cases, the precursors of disputes between workers and peasants were not removed and solved properly over a long time. All these problems were major factors causing disputes between workers and peasants.

3. People did not have a deep understanding of the worker-peasant alliance. Ideological education concerning the worker-peasant alliance was obviously attenuated in a long period. The idea that "workers and peasants are brothers and the worker-peasant alliance constitutes the foundation" was not kept in the minds of many people. They did not understand or did not clearly know that the worker-peasant alliance constitutes the political foundation for our state and is of great significance for the consolidation of the proletarian dictatorship. As a result, they could not correctly handle things when disputes between workers and peasants occurred. This was another demonstration of our errors in education.

Ours is a socialist country with the people's democratic dictatorship based on the worker-peasant alliance led by the working class. Strengthening worker-peasant unity and reinforcing the worker-peasant alliance have a great bearing on our country's future destiny. In particular, at present, improving worker-peasant unity is of great and special significance for ensuring our political, economic, and social stability. Thus, we should promptly discover and properly solve various contradictions and disputes that affect worker-peasant unity, severely punish lawless people who sabotage worker-peasant unity, and continuously improve and promote worker-peasant relations and reinforce worker-peasant unity. Only thus can we effectively promote further political, economic, and social stability.

#### Publication of New Newspaper Begins

OW0501155191 Beijing XINHUA in English  
1442 GMT 5 Jan 91

[Text] Beijing, January 5 (XINHUA)—A newspaper that has no reporters of its own, but can provide information on various special topics, economic topics in particular, to all circles of society, is undoubtedly unique.

"THE CHINA NEWSPAPER-CLIPPING", which began official publication on January 1, 1991, is the only



one of its kind in China which serves its subscribers by providing newspaper clippings.

People in today's world are eager to obtain as much information as possible to help increase their efficiency, said Wang Rongtai, deputy editor-in-chief of the newspaper, and the aim of his newspaper is to meet their needs.

The paper, which began twice weekly trial publications five years ago, now has over 60 employees, who everyday clip stories of practical value from 1,200 Chinese newspapers and then reconstitute them according to subject matter without making any changes.

At the same time, the paper provides over 100 special editions, to various users, categorized according to different sectors of the national economy. If a subscriber requests information on any other specific subject, the paper will oblige.

The news items the paper uses are taken from other newspapers and are generally news stories, said Liang Heng, a department director of the State Administration of Media and Publications. This type service does not constitute copyright infringement, he added.

The paper, which is co-sponsored by the State Information Center, the Economic Information Center of Jiangsu Province and the Economic Commission of Changzhou City, has published 24,000 editions in the past five years, and has a total circulation of 2.3 million.

Available statistics reveal that subscribers to the paper have used the information it provides to obtain greater economic efficiency, amounting to over 50 million yuan, simply by improving their management.

### **Beijing Prepares Regulations on Family Planning**

HK0501013291 Beijing CHINA DAILY in English  
5 Jan 91 p 3

[by our staff reporter]

[Text] If the Beijing Family Planning Commission gets its way, a set of legal regulations on family planning, the first of its kind for the capital municipality, will soon be promulgated.

Drafted and revised by the municipal Family Planning Commission, the final copy has recently been submitted to the municipal People's Congress for final approval, according to the commission.

But the commission refuses to give any details about the regulations. Adoption of the regulations would make Beijing the 27th area among the provinces, municipalities and autonomous regions to have a high-level legal document on this issue.

The remaining areas are Yunnan Province, Xinjiang and Tibet autonomous regions.

Before adoption of a municipal law, each county and district in the municipality follow only their respective

local stipulations, and in some areas family planning cannot be fully understood and followed by the local residents.

Besides the purpose of implementing family planning in the municipality, according to Lin Zhencai, director in charge of law making and explaining in the commission, the legal document also covers aspects including methods of birth control, the upbringing of healthy children, family planning among the transient population and specific measures to reward and punish.

Lin also disclosed that the commission is mapping out some detailed working guidelines to further standardize some of these aspects such as administrative management over transient population.

Lin believed that the set of regulations will provide legal support for the present family planning policy which encourages one family, one-child as well as some of its effective administrative measures accumulated from experience in the implementation of the programme, and gradually bring the entire process of the work onto a legal track.

Lin said that since 1964 when Beijing began to implement a family planning programme, its rapid population growth rate has been brought under control.

The recently-concluded census shows that the current population growth rate in Beijing is 7.92 per thousand, the second lowest in the country after the 4.96 per thousand enjoyed by Shanghai.

Yet, more efforts are still necessary to stabilize growth of population in the city with a population of over 10 million, especially in its rural areas.

According to Lin, around 3,000 unplanned babies are born each year, 98 percent of them in the countryside.

### **Plan for Popularizing Legal Knowledge Formulated**

OW0701174991 Beijing XINHUA in English  
1654 GMT 7 Jan 91

[Text] Beijing, January 7 (XINHUA)—China has mapped out its second five-year plan for popularizing legal knowledge in a bid to further enhance the sense of law among its people.

The plan, co-drafted by the Propaganda Department of the Central Committee of the Communist Party of China and the Ministry of Justice, has listed the Constitution, the Compulsory Education Laws, Law on Rallies and Demonstrations, the Administrative Procedure Law, Law on the National Flag of the People's Republic of China, and a dozen other special laws as major laws for popularization.

An official from the Ministry of Justice told XINHUA that more than 750 million Chinese citizens have taken part in the campaign to study law since it was launched



in 1986. They include 4.8 million people at the county level, 9.5 million other officials, and 150 million students of various ages.

In the next five years starting from 1991, those who are requested to take part in the study include high ranking officials, officials above the county level, law enforcement personnel, and college and middle school students, the official said.

### Economic & Agricultural

#### Li Peng, Zou Jiahua Address Plant Directors

OW0801061491 Beijing XINHUA Domestic Service  
in Chinese 1831 GMT 7 Jan 90

[By reporter Sun Benyao (1327 2609 1031)]

[Text] Beijing, 7 Jan (XINHUA)—Premier Li Peng today invited the directors (managers) of some enterprises to a meeting at Zhongnanhai to discuss how to further invigorate large and medium-sized state-run enterprises. He emphatically pointed out: In the course of launching the "quality, variety, and efficiency year" campaign this year, we should pay particular attention to invigorating large and medium-sized enterprises. Large and medium-sized enterprises are an important pillar of China's modernization program, as well as the major source of state revenue. To invigorate large and medium-sized enterprises and give full play to their supporting role is of great significance to the development of our economy and the consolidation of our socialist system. For this reason, governments at various levels and large and medium-sized enterprises should strive to do this work well.

During the meeting, the plant directors (managers) reported on the situations of their enterprises, exchanged experiences, and put forward some good suggestions.

After listening to their reports Li Peng said: The year 1990 was a very difficult year for large and medium-sized enterprises, but most enterprises displayed good morale and contributed to economic development. Now our industrial production is gradually picking up, and the output of large and medium-sized state-run enterprises is also increasing. During the Eighth Five-Year-Plan period, we should continue to implement the system of contracted managerial responsibility in various forms to maintain the continuity of policies, but we should further improve the system. At the same time, we should continue to experiment at selected localities with "separating profit delivery from tax payments, repaying debts after paying taxes, and contracting for after-tax economic returns."

Li Peng said: To readjust the structure, strive for technological progress, and develop new products are all important measures for raising the economic efficiency of enterprises, particularly large and medium-sized enterprises. In order to achieve technological progress,

the state will take various actions to provide financial support to major technological transformation projects of enterprises; and at the same time, the enterprises should try all possible means to tap their own potential. It is necessary to properly handle the relationship between distribution and technological transformation within the enterprises. For a period of time, we should spend more funds on technological transformation, which is a key to improvement of enterprises.

Li Peng said: We are implementing the policy of combining planned economy and market regulation. With the deepening of economic restructuring, the improvement of economic structure, and the constant growth of market, we will gradually reduce the scope of mandatory plans, enlarge the scope of guidance plans, and give more play to the role of the market. Enterprises should change their operational concept so that their products will meet market demand. If the products do not satisfy consumer needs and market demand, they will not sell. The time that "the emperor's daughters can always find husbands" is gone. Enterprises should pay great attention to their marketing, not only for the purpose of opening up the market, but also for the purpose of knowing more about social demands and promoting their own development.

On the question of expanding the foreign trade power of productive enterprises, Li Peng said: In reforming the foreign trade structure, we should require enterprises to assume sole responsibility for their own profits and losses, and to promote industry-trade integration. We may consider giving foreign trade power to some large and medium-sized enterprises that have the necessary conditions, particularly enterprises manufacturing machinery and electric equipment, and let them enter the international market directly.

Li Peng said: We should continue to accelerate the work of liquidating "triangular debts." With the development of economy and the invigoration of market, the "triangular debts" problem will be gradually alleviated and solved. The complete solution of the problem will require enterprises to readjust their product mix, improve the quality of their products, and open up the market. The state will take a further step to organize the work of liquidating "triangular debts."

On the welfare of workers and staff members, Li Peng said: Over next 10 years, we should continue to improve the urban and rural people's living standards, particularly the housing conditions of urban people, on the basis of development of production. This task should be done in conjunction with reform of the housing system, and the state, enterprises, and workers and staff members should share the responsibility.

Zou Jiahua, state councillor and minister of the State Planning Commission, said after listening to the reports: The experience of some large and medium-sized enterprises should be popularized throughout the country. A very important way to run large and medium-sized enterprises well is to enhance vigor, adopt a positive

attitude, and try every possible means to overcome difficulties. In addition, the state will adopt measures to improve the external conditions of enterprises. In particular, the state will provide support and assistance to a number of enterprises that are better than others in all respects.

The plant directors (managers) particularly pointed out in their speeches the necessity to harmonize the relations between enterprises and the state, between enterprises and their employees, and between enterprises and local authorities; to handle well the relationship among the interests of the state, collectives, and individuals; and to handle well the relationship between accumulation and consumption. They considered the State Council decision on making 1991 a "quality, variety, and efficiency year" to be very correct. They pointed out: The key to raising efficiency lies in improving management and making technological transformations. It is necessary to promptly readjust the product mix according to market demands. In short, efficiency should be enhanced through improving management, making scientific and technological progress, and invigorating the operations.

They also believe that large and medium-sized enterprises have great potential, and that the important question is how to tap this potential. In the course of transforming the enterprises, it is necessary to launch the campaign to increase production and practice economy and to raise revenues and reduce expenditures.

Some plant directors (managers) believe that organizing and developing enterprise groups will help promote the rational flow of production factors, create fairly large economic returns, and promote specialized cooperation. They believe that it will also help to promote the readjustment of enterprise structure and product mix, develop major technologies, raise the ability of enterprises in meeting market demands and making technological innovations, and further invigorate large and medium-sized enterprises.

They suggested that while some products are not selling well, the state should continue to give financial support to large and medium-sized enterprises, give foreign trade power to some large and medium-sized enterprises that have the necessary conditions, and help enterprises continue liquidating "triangular debts."

Present at the meeting were Rong Yiren, vice chairman of the National People's Congress Standing Committee; State Councillors Li Tieying, Qin Jiwei, Wang Bingqian, Zou Jiahua, Li Guixian, and Chen Xitong; Luo Gan, secretary general of the State Council; and responsible comrades of the departments concerned.

The speakers at the meeting included Liu Haiyan, manager of Yanshan Petrochemical Company of Beijing; Zhang Hao, director of Zhengtai Rubber Plant of Shanghai; Huang Genchen, director of Xingtai Metallurgical Machinery Plant; Guo Chuanzhou, general manager of Beijing Department Store; Li Songcan, first

deputy general manager of Jilin Chemical Industry Corporation; Wang Hongjin, general manager of China Huajing Electronics Corporation Group; Guo Shudao, secretary of party committee and director of Jinlun Drapery Factory of Pingdingshan; Liu Xingde, deputy chief economic manager of No. 1 Motor Vehicle Plant; Zhao Jiazhen, deputy chief economic manager of No. 2 Motor Vehicle Plant; Zhu Tanlin, director of the People's Machinery General Plant of Beijing; Wang Peizhou, executive deputy director of Baoshan Iron and Steel Complex of Shanghai; Zou Xunmin, deputy director of Jinan No. 1 Machine Tool Plant; Zhang Shiying, secretary of party committee and director of Anyang Iron and Steel Company; Gu Dianren, director of Shenyang Electric Wire Plant; Xue Baoming (female), executive deputy director of Shaanxi Radio Plant; Jin Shui, general manager of Shanghai Department Store; and Yao Rongguo, executive deputy director of No. 1 Film Plant of the Ministry of Chemical Industry.

#### Article on Pushing Economic Construction Forward

HK0601022791 Hong Kong TA KUNG PAO in Chinese  
5 Jan 91 p 1

[Article by Ma Hong (7456 3163), director general of State Council's Economic, Technological, and Social Development Research Center: "China Wants To Push Economic Construction Forward"]

[Text] In bliss we have welcomed in the year 1991. China wants to realize the goal of doubling the gross national product on the basis of the late 1980's and a comparatively well-off level of people's living standards in the 1990's. China wants to basically establish an economic mechanism which suits the development of the socialist commodity economy. Thus, the next 10 years will be a crucial historical period full of hope for China's modernization.

#### A Crucial Historical Period

We took a socialist road suitable to China's national conditions in construction and reform in the 1980's, and the accomplishments made have been universally acknowledged. In economic restructuring, we changed the excessive administrative structure, and implemented an ownership structure characterized by the coexistence of diversified economic factors with public ownership as the main body, with the economic decisionmaking power of the locality and enterprise expanded, the proportion of the mandatory plan cut back, and the regulating role of the market mechanism extended, and so forth. This series of effective reforms have greatly augmented the operational vitality of the socialist economy. At the same time, it eradicated the state of closing the country to all international ties or a semi-closed door state, while advancing toward the world arena in big strides, with rapid expansion in foreign technological and economic cooperation. The economic development rate had been the highest of any period in the previous three decades, and the GNP rose by an average annual 9.4 percent. However, the tasks for reform are far from

being completed: The new economic structure has not been full-fledged; enterprises (especially enterprises of ownership by the whole people) have not fully accomplished financial independence; the price system has not been ironed out; the socialist market system remains incomplete and imperfect, and still in its development, while the macrocontrol means are in the same condition; hence, further exploration in the specific form of linking planning to the market is involved. Economic restructuring is confronting the tasks of resolving a series of bottlenecks. With the dawning of spring 1991, we are at the historical turn of two decades. It is imperative for us to earnestly summarize the experiences and lessons of reform, opening, and development in the 1980's, and to exert another 10 years of efforts to establish an economic structure and operational mechanism meeting the needs of the socialist commodity economy with public ownership as its base, characterized by linking planning to the market on the basis of consolidating the existing accomplishments, and to realize the continuous, steady, and harmonious development of the national economy with the impetus of further expanding opening to the outside and reform.

#### Grasping the New Opportunity

The rapid economic growth of the Asia-Pacific region will also provide new opportunity for China's economic development. It is forecast that the Asia-Pacific region will remain the fastest area in the world economic development in the 1990's. The prosperity of this area will inevitably play a role of bringing up China's economic growth. In more than a century, the Chinese nation lost its golden opportunities, when the Chinese nation suffered humiliation and calamities of every description because of foreign invasion and civil wars. Since the PRC's founding, China has genuinely taken the road of modern industrialization. However, the PRC lost many opportunities in its first 30 years because of external causes and some mistakes in our policies. Now we are facing a new opportunity. We believe, with the rise of the Asia-Pacific economy, a period of continuous and steady economic growth will certainly surface in China under the condition of reform and opening; at the same time, the reinvigoration of China's economy will eventually push forward the economic prosperity of the Asia-Pacific region.

#### Seeking Truth From Facts, Going All Out To Make China Prosperous

China has scored marked results in the improvement and rectification under way. With success in control over an overheated economy, the inflation rate has dropped under the expected level; it was about 5 percent in 1990, and the economy has steadily picked up. However, problems in structural dislocation and decrease in economic results resulted from vigorous economic ups and downs remain conspicuous. For this reason, the central government has proposed to make the year of 1991 one of increasing variety, improving quality and economic results, and conducting restructuring through developing

new products and varieties meeting domestic and overseas markets and improving product quality. At the same time, it proposed increasing revenues and cutting back expenditures, improving operational conditions to improve economic results to help the national economic pick up, and to lay a healthy foundation for development in the next 10 years.

Presently, we are witnessing a changeable world situation; with the rapid changes in the Soviet Union and East Europe, the East-West balance of power has changed; German reunification has stepped up the pace of European combination; with the tendency of groups of world economic areas growing stronger, the rise of the Asia-Pacific region, and the tense Gulf situation, the world economy's pattern of division of labor has been greatly influenced. Viewing the general situation, peace and development remain the two major main currents in the evolution of the world economic and political situations. China is a developing country; it must prize the present precious opportunity for development, start from its national conditions, seek truth from facts, go all out to make China prosperous to push economic construction forward. China is a big country with a population of 1.1 billion; doing a good job in our modernization is itself a contribution to the world and mankind. It is necessary for us to augment ties and cooperation with all countries to strive for the world's prosperity and stability to make still greater contributions to mankind's progress and happiness.

#### Article Examines Employment Problem

HK0701125491 Hong Kong LIAOWANG OVERSEAS  
EDITION in Chinese No 52, 24 Dec 90 pp 12-13

[Article by Fang Jinyu (2455 6651 3768): "A Penetrating Analysis of Employment on the Mainland"]

[Text] For some time in the recent past, the contradiction concerning labor employment in large and medium-sized cities in China has once again become prominent. This has caused concern from governments at various levels and relevant experts in the mainland.

#### The Employment-Awaiting Rate in Large and Medium-Sized Cities

Take the national capital Beijing as an example. The newly increased urban labor throughout the municipality that needed job assignments was 137,000 in 1989. Among them, only 121,000 did actually receive job assignments. By the end of that year, the employment-awaiting rate was barely 0.5 percent. In 1990, there are 130,000 to be arranged for but the estimated capacity of employment is slightly over 90,000. By the end of the year, the number of employment-awaiting people will be around 40,000, the rate rising to one percent. By now, Beijing's good "record" of keeping the employment-awaiting rate under 0.5 percent for six years running has terminated.



The employment problem in the ancient city of Xian seems to be more disturbing. Before 1988, the enterprises and nonprofit institutions under ownership by the whole people in Xian City were capable of recruiting around 16,000 new workers each year. But in 1989, this figure dropped by 63 percent to 6,000.

The employment-awaiting rate in Baotou City, the important industrial city in west China, went beyond the "cordon" of four percent, higher than any other city in the country. This reporter learned from the people's government of this city that among the urban residents of Baotou City, there are 2,553 households each with two employment-awaiting youths and 797 households each with three or more. What is particularly worrying is that there will be 12,000 men and women entering society each year to look for employment posts in Baotou City.

As is well known, China has a large population. The big population base and excessive growth rate naturally bring about a series of contradictions in clothing, food, housing, transportation, and employment. Just as Deng Xiaoping once said, the trouble with China is that there are too many people. Some relevant experts once gave a forecast that the increased labor-age population from 1991 to 2000 will be around 93 million, with an average increase of 9.3 million each year. In other words, even if we do not factor in the increase of rural labor-age population, China still needs to create 2.8 employment opportunities each year to satisfy the demand of the urban youth all over the country. The experts pointed out: The phenomenon that China's labor cannot be wholly and fully employed will exist for a long time to come.

#### **The New Contradictions Faced in the Present Day**

As far as the present situation is concerned, the employment issue in the mainland involves some new contradictions. On the one hand, with the coming of the third baby boom, the annual increase of labor-age population has entered a peak period (as first-birth age approximates labor age). On the other hand, because the enterprise reform in the mainland is being deepened step by step and the national economy is being readjusted, the strains on employment in urban areas, especially in large and medium-sized cities, have shown a tendency to intensify.

The latter finds expression in the following respects: As far as the overall picture of enterprises under ownership by the whole people is concerned, they are hardly capable of functioning as the chief channel for absorbing newly increased labor and, through their internal optimal recombination, may even produce some surplus labor; after the rapid development in earlier years, the collective enterprises in urban areas have obviously slowed down their pace in recent years. Some once-acclaimed labor service companies have been suffering from insufficient funds, narrow space, expiry of taxation preferential terms, and so on. They now have a much

weakened capacity for absorbing and organizing employment-awaiting youths to run businesses in the tertiary industry. The individual private economic sector has developed to such an extent that its capacity for assimilating new labor has also become limited.

In the meantime, because staff size was rigidified and organization streamlined in party and government organs, enterprises, and nonprofit institutions, it has gradually also become difficult to assign jobs to college and technical school graduates, who used to be in great demand in the early 1980's.

Take Changchun City, the provincial capital of Jilin, for example. In the mid-1980's, this city was capable of arranging for over 4,000 college and technical school graduates each year. But the number of graduates who need job assignments in 1990 reaches 8,000, but the actual demand has reduced to slightly over 1,000. Faced with the great disparity of one to eight, many college students and their parents grumble: It is difficult to pass the entrance examination, it is difficult to enter a university, but it is even more difficult to get a job assignment after graduation. The relevant department in Changchun adopted the method of "unified assignment" and by coercion sent college and technical school graduates to enterprises and nonprofit institutions. The result was that some units which were already fully staffed or overstaffed started to pour out endless grievances. What is equally disturbing is that according to the director of Changchun City Personnel Bureau, a thorough solution to the supply-demand contradiction for college and technical school graduates in this city will not be possible for three to five years.

The employment problem in China is long-standing and persistent. Some government officials and experts analyzed the situation and pointed out: It is neither practical nor possible to, as one may wish, have every labor-age citizen in every city and town in China employed. The situation where there are a small number of people in urban China who are waiting for employment will continue to exist for a long time to come. To relieve the employment problem, it is wrong to either set off another upsurge of "going to the countryside and mountainous areas" or to permanently stick to the old practice of "unified assignment." The only way out is to promote reform and develop the economy.

#### **There Is a Hope for Relieving the Contradiction**

Though there are many difficulties in relieving the contradiction concerning employment in the mainland, it is not true that there is no hope at all. For instance, on the one hand, there is the phenomenon of "people waiting for jobs" in large and medium-sized cities in China and the employment-awaiting rate has kept going up by the year; on the other hand, there is also the phenomenon of "jobs waiting for people" and the number of trades complaining about "difficulty in recruitment" has also been rising. Take Beijing for example. Not only such trades as building, building



materials, coal, and general sanitation find it hard to recruit new workers from urban areas, but those other ones including textile, machinery processing, public transportation, which used to be quite an attraction for new workers, are now also experiencing "difficulty in recruitment." As estimated by Xian City government, 300,000 peasants entered urban areas to do business in 1989. Around one-fourth of the posts for them are ones that urban employment-awaiting youths are capable of taking. In Guangzhou City in 1988, the textile sector planned to recruit some 2,750 new workers. It turned out that very few city youths applied and the actual recruitment was a mere 453.

This implies that if only the young people in urban areas make slight changes to their mentality of persistently pursuing an easy and comfortable life when choosing a job, the strains on employment can be relieved somewhat.

Naturally, however, besides the need for employment-awaiting youths to discard some impractical ideas, it is also necessary for the governments at various levels to do some more work with greater efforts. In view of the difficulty of job assignment for college and technical school graduates, Changchun City Personnel Bureau Director Zhao Feng [6392 1496] gave a speech on television, over the radio, and in newspapers, revealing the actual difficulties as they really were to college students on the one hand and calling on the graduates to cast aside the excessively high "expected value" about their future professions and to display their talents at the grass-roots level or in remote areas. He also emphatically pointed out: In order to thoroughly relieve the difficulty in assigning jobs for college students, the setup of specialties in colleges and universities should never again be divorced from the actual demand of the society in the future.

In Baotou City, which had the highest employment-awaiting rate in 1988 as mentioned earlier, the newly appointed Mayor Wang Fengqi [3769 7685 2978] went to visit the families with employment-awaiting youths as soon as he assumed office. Mayor Wang requested people in all fields to contribute suggestions for opening up employment avenues. An agricultural technician once wrote to Wang Fengqi, suggesting "engaging retired agricultural personnel to organize and set up forestry centers, orchards, and plant nurseries in the suburbs chiefly aimed at absorbing employment-awaiting youths." A self-employed person suggested: In workers' residential areas in Baotou, the quantity of individual-operated vending stands is still insufficient and the masses are still complaining about the trouble of shopping, therefore, there is still some room in this trade for absorbing some employment-awaiting youths. This reporter also learned from Baotou City People's Government that in each of all the 779 most difficult families with three or more employment-awaiting youths, at least one of the youths had been given a job assignment by June 1990. Baotou City People's Government is now taking steps to further relieve the contradiction and try

all possible means to make proper arrangements for employment-awaiting youths.

### Auditors To Guard Against Malpractice

HK0501013691 Beijing CHINA DAILY in English  
5 Jan 91 p1

[By our staff reporter Li Hong]

[Text] The State Auditing Agency, the central government's arm of financial control, will continue its scrutiny of economic activities in all public sectors to guard against malpractice and help to build a clean government, it was announced yesterday.

The agency's efforts paid off last year with the number of financial irregularities showing a marked decrease over the previous years, a leading auditing official told CHINA DAILY.

In 1990, the regular scrutiny of 50,000 administrative departments, including 82 ministries and the State Council's affiliated organizations, found that 56 percent of them had economic problems, a 25 percent decrease compared with the previous year.

Cui Jianmin, deputy Auditor-General, said that the Administration will in 1991 carry out surveillance on all administrative departments, organizations, banks and business corporations at all levels to look into their monetary actions, rectify false deals and single out the responsible offenders.

He said that the auditing agency, an important part of China's macro-economic control mechanism, is also ready to scrutinize economic practices of contracted State-owned enterprises.

It is further prepared to check the use of some State specified funds, earmarked to develop agriculture, help outlying poverty stricken areas and aid education.

"What we want to achieve is to improve the economic environment, keep governmental austerity and bolster social morality for this country," Cui said.

During the past few years, there has been an increase in financial irregularities in local administrations which tried to evade State tax, divert State funds to other use and cheat report local revenue and expenditure.

And some managers of contracted State-owned enterprises have tried to over-exploit the firm's existing resources and earn improper profits at the State's expense.

The Government has looked to the auditing teams to keep a close watch on all the irregularities that may occur during the reform and opening up to the outside world.

By November 1990, the administration, through its network of 3,000 local agencies, had audited 100 billion yuan found to have been improperly used.

Cui said that during the 1983-1989 period, the administration recovered 9.1 billion yuan in misused funds.

The most prominent case was in August 1989 when the administration decided to penalize five large corporations for a total of 51.33 million yuan because of the illegal profits they had made.

During 1990, the administration, by looking through the books of 209,000 work units, ordered them to repay a total of 2.71 billion yuan to the State treasury.

Cui said that in 1990, they found a total of some 4 billion yuan in misused fund which should be returned to the State.

Additionally, it recovered 2.5 billion yuan for State capital construction, 5.2 percent of State's gross investment into the field, following the auditing of 82 State key construction projects last year.

#### Article on Improving Rural Service System

HK0601031291 Beijing NONGMIN RIBAO in Chinese  
5 Dec 90 p 3

[Article by Ou Yuangang (2962 6678 2455): "On Strengthening the Rural Service System and Improving the System of Contracted Responsibilities on the Household Basis, With Payment Linked to Output"]

[Text] Strengthening the construction of the rural service system is an urgent demand of the peasants and is also a matter of far-reaching significance in the process of deepening rural reforms. It should be seriously studied.

When the service system is mentioned, some people may set it against the household contract system. They think the strengthening of the service system and the collective economy is incompatible with stabilizing and improving the household contract system. That is to say, they just regard the household contract system as something that can only be based on individual and small-scale production. This point of view is rather questionable.

First, we should clarify that according to the party Central Committee's Document No. 1 in 1982, "various responsibility systems that have been adopted, including the linkage of payment with the fixed output quota in small sections, the linkage of payment with the output contract based on specialized operation, the linkage of output with labor, the assignment of output quotas to households or groups of households, are all production responsibility systems of the socialist collective economy."

The contract responsibility system bears the socialist nature, because land—the main means of production—is owned by collectives, while the management of the land is assigned to households on the basis of contracts. Such separation of land management from land ownership does not affect the nature of the ownership system. On the contrary, only with such separation can the collective ownership system be effectively consolidated as land—the main means of production—can be brought

into full use. Under the feudal land ownership system, land management was also separated from land ownership, as land was leased to tenants for the farming purpose. In some localities, land was "permanently" leased to tenants. Under the current household responsibility system based on output contracts, land is still public property while land is used and managed by individual households on the basis of "contracts." This may also be regarded as a form of lease. Land is not divided up for individual farming. This lies in the line of demarcation. Because the contracted management system is favorable to the development of production, it was later also introduced to cities, where industrial and commercial enterprises also concluded management contracts between different levels of organizations. Results similar to those in the countryside were also achieved, although there were differences in form and content. This represents a creative model of socialist construction with Chinese characteristics.

Second, the combination of unified management and separate operation is an integral part of the responsibility system based on household output contracts, and the reinforcement of the rural service system is a need in the continuing development and improvement of the household contract system. It is not right to think that there should only be the side of separate operation and deny the side of unified management. In fact, the initial form of such a combination appeared from the first day the household contract system was born. The side of separate operation was reflected in the assignment of farmland to households according to the contracts so a farming operation could be carried out by each household on its own. While the side of unified management was also obvious according to the following facts: 1) The land was still collectively owned; 2) the state's unified purchase quotas (which originally took the form of compulsory orders and were later changed into purchase contracts without change in essence) must be fulfilled (and most surplus products were also required to first be sold to the state); 3) individual households must make full contributions to collective reserve; 4) such producer goods as chemical fertilizer, pesticides, farming machines, and diesel oil were produced by the state or collectives and were completely and partly supplied according to state plans; 5) the planting plans (mainly the plans for grain production) were basically formulated or guided by the government; 6) the construction and management of water conservancy and irrigation facilities and other large-scale farming projects were organized by the state or collectives; 7) the spread of improved seeds and advanced techniques was organized and led by the government or collectives. All this shows that in all the pre-production, production, and post-production links throughout the whole process of agricultural production, unified management remains the dominating side. The differences lie in the fact that before reform, the "unified management" went against the economic laws, led to the inefficient mode of mass operation and the egalitarian mode of distribution, and restrained the initiative of households in operation and

distribution. Now, with the power to decide day-to-day management being handed to individual households, the organic combination of unified management and separate operation can be effected under the premise of guaranteeing the initiative of the peasant households. This is a free marriage. Such combination of unified management and separate operation can fully arouse the initiative of the state, collective, and the individual, and thus integrate the three sides into one. Of course, there remain various imperfections, but the initial form has taken shape.

Third, the establishment and consolidation of the service system will further give play to the positive role of the household contract responsibility system. The service system is not contradictory but complementary to the household contract system. In such an inseparable unified entity, the household contract system is characterized mainly by household operation on the forefront of production, while the relationship of the "service system" and the "peasant households" is that between one offering services and one receiving services. So the two sides do not reject each other, but just rely on each other. Without one side, the other side will not be able to exist. Therefore, the household contract system will only be developed and consolidated.

The perfection of the service system will greatly promote the specialization and division of work and cooperation in entire society and will mark a qualitative leap in the development of productive forces. In localities where the socialized service system has been fully developed, the economic operation of peasant households cannot do without the support of the service system, as the service system can solve almost all major problems in various links of household operation and production. In such social division of work and social cooperation, various factors of production can move and can be put together in a more reasonable form, thus producing better economic results. However, such socialized production has yet to be further developed and reinforced through systematically turning the services into something like commodities that the user must pay for and turning the service institutions into enterprises in real terms. Services will then be offered on the basis of "contracts" with the legal binding force. Then, peasant households will obtain accurate services they need at reasonable prices and in good time. This is also the basic standard for service quality and the basic objective of improving the service system. According to the present state of affairs, this objective has not been achieved yet. Over many years, peasants could not gain reasonable income as they lacked the protection of necessary contracts. While the law of value was playing a role, peasants often incurred economic losses as they blindly grew crops. This also weakened their confidence in unified management, thus damaging the reputation of the unified management and being unfavorable to the state, collective, and the individual. Guaranteeing the combination of unified management and separate operation through the adoption of

the "contract system" and the "enterprise operation principle" is also a concrete form of integrating planning with market.

### Commentator on Agricultural Development

HK0601080691 Beijing RENMIN RIBAO in Chinese  
24 Dec 90 p 1

[Commentator's article: "Organize Comprehensive Agricultural Development in a Down-to-Earth and Effective Way—Sixth Commentary on Striving for Sustained and Stable Agricultural Development"]

[Text] Solidly and effectively organizing comprehensive agricultural development is a strategic measure for raising the comprehensive production capacity of agriculture and boosting the rural economy, and it is also one of the six tasks emphasized by the circular of the party Central Committee and the State Council on the agricultural and rural work in 1991.

In our country, large-scale comprehensive agricultural development was started in 1988. Through several years' stagnation, people more clearly noted: In our country, the current comprehensive production capacity of agriculture basically stands at the level of 400 billion kilograms of grain and 80 million dan of cotton a year. If the weather condition is benign, the grain output may be increased by some 10 billion kilograms. On the basis of the current comprehensive production capacity, it will be hard to substantially increase output any more.

In view of this state of affairs, the State Council first decided to set up a fund for land development and then set up a fund for comprehensive agricultural development in order to reinforce comprehensive agricultural development. Each year, the state allocates more than 1 billion yuan to localities. If the backup funds allocated by the local authorities, the special loans issued by the Agricultural Bank, and the funds raised by peasants on their own are all included, it is estimated that some 5 to 6 billion yuan each year can be used for comprehensive agricultural development. So far, 32 provinces, municipalities, autonomous regions, and cities as independent budgetary units in the state plan have started their comprehensive agricultural development projects with the state's financial support. Many localities did not wait for or rely merely on the state's financial support, but proceeded from their own conditions and relied on their own strength to pursue comprehensive agricultural development. The efforts for comprehensive agricultural development definitely contributed to the bumper harvests in the last two years.

Comprehensive agricultural development is a major issue, and its significance will manifest itself increasingly more clearly with the passage of time. In the past, whenever the issue of developing agriculture was mentioned, some people would naturally first think about our country's shortage of resources. Through the practice of comprehensive agricultural development in recent years, all people have more deeply recognized that on the



one hand, our country is short of agricultural resources; on the other, we have not fully tapped and utilized the existing resources. In view of the state of extensive development, our country still has a considerable potential of reserve resources in agriculture. According to the investigation by the department concerned, our country still has a total of 500 million mu of waste land that is suitable for growing crops, and about 200 million mu of such land can be reclaimed in the near and intermediate future. In addition, large areas of grassland, shore, and water surface have yet to be developed. In view of the state of intensive development, there exists a greater potential. About 80 percent of the existing cultivated land is low-yield or intermediate-yield fields. If such land all undergoes initial transformation, the grain output can be increased by 100 billion kilograms.

Comprehensive agricultural development must adhere to the principle of attaching primary importance to economic results. Without good economic results, the peasants' enthusiasm for development may be dampened, and the reputation of the comprehensive development projects may be damaged. In the past, we have done a great deal of work in utilizing and developing agricultural resources and have achieved certain results in this respect. However, we have also done some things in violation of the natural and economic laws. For example, some localities only paid attention to land reclamation and grain production to the neglect of comprehensive development and management. This caused soil erosion and silting-up of reservoirs and waterways. In some cases, the projects were even completely ruined. Such profound lessons must still be borne in mind today. We must pay careful attention to the quality of the projects and must ensure the attainment of high standards. To organize comprehensive development, we must work out a scientific and unified program, which should be in keeping with the state's guiding principles and policies for comprehensive agricultural development. In addition, consideration must be given to local conditions. Otherwise, the development projects will not be fit for the key domain of development and will not achieve satisfactory and coordinated economic, social, and ecological results.

The key to the success in comprehensive agricultural development lies in adhering to the principle of self-reliance and making an effort to increase the input of agricultural development. The state's support is necessary, but this part of input can only play a role in setting things in motion and making a start. Local governments at all levels must try to devote as much money as they can to comprehensive agricultural development in light of the relevant stipulations. Fundamentally speaking, however, comprehensive agricultural development is an undertaking of the peasant masses themselves. So it is necessary to properly carry out propaganda among the masses, properly organize the masses, and fully arouse the initiative and enthusiasm of the broad masses of peasants for raising funds and devoting labor to comprehensive development through the encouraging effects of

the policies concerned, the guidance of examples, and the attraction of expected benefit. In the course of comprehensive development, mountains, rivers, fields, roads, and forests will be harnessed, transformed, and improved in a comprehensive way. Various departments concerned should join hands in strive the common objective. Only thus can the best results be achieved.

Comprehensive agricultural development is a brand-new cause. All of us should excel at summarizing experience and make continuous improvements. In the previous period, some localities arranged tasks which were too heavy for comprehensive development and did not ensure high quality of the works; the projects in some localities were too widely scattered and could not achieve scale economic results, and the projects could not be effectively managed as well; in some localities, after the funds were allocated to various counties, no explicit development program was worked out. All such problems should be corrected.

The broad masses of rural cadres and peasants call comprehensive agricultural development "a hopeful road." We also hope that party committees and governments at all levels will further strengthen their leadership, do solid organizational work, and firmly advance along the course of comprehensive agricultural development, thus making contributions to raising our country's agriculture to a new stage.

#### Loess Survey Results Aid Development

OW0601202691 Beijing XINHUA Domestic Service  
in Chinese 2135 GMT 5 Jan 91

[By GUANGMING RIBAO reporter Di Huisheng (5049 1920 3932) and XINHUA reporter Zhang Jinsheng (1728 6930 0524)]

[Text] Beijing, 6 Jan (XINHUA)—China achieved major results in the survey and research of state land resources on the loess plateau after nearly five years of arduous hard work. The survey and research gave rise to the establishment of a multidisciplinary, multilevel, multifunctional, and innovative "data bank and information system for state land resources on the loess plateau"; the data bank is the first of its kind in China and there are very few similar data banks in the world. The survey and research provided the latest technological support for making decisions on the comprehensive development of the loess plateau's natural resources and on environmental protection; they also provided scientific backup to the state on studying the development of the loess plateau's natural resources and on the economic development for that region in the Eighth Five-Year Plan and in the future.

The world-renown vast expanse and forlorn land of the loess plateau is the cradle of the Chinese nation and the birth place of China's ancient civilization. However, the ecological environment of the loess plateau is very fragile. For a long time, soil erosion and the perils of sandstorms were serious in the loess plateau, which is

one of regions in the world hit worst by soil erosion. In addition, very unreasonable land utilization, land reclamation, and over-grazing, and the serious destruction of flora in the region exacerbated the deterioration of the ecological environment. Soil erosion and desertification brought a large amount of mud and sand to the Huanghe, which led to the high-level silt buildup at the riverbeds of tributaries in the lower reaches of the Huanghe. The peril of a potential flood always threatens the lives and properties of people living on the Huanghe and Huaihe Plains and economic construction in vast areas.

However, the vast loess plateau area has favorable conditions for developing agriculture, forestry, and animal husbandry. Mining resources, particularly energy resources, are also very abundant in the region. This places the region in a very important strategic position for the future development of our country. Therefore, our country attaches great importance to the work of managing state lands in this region. The "comprehensive management of the loess plateau" was included as one of the key scientific and technological items to be tackled during the Seventh Five-Year Plan period. "The establishment of a data bank and information system for state land resources on the loess plateau" was one of the important subjects of this project. The purpose is to practice scientific management, exploration, and utilization of the information and environmental data of the state land resources on the loess plateau with the support of multidisciplinary subjects and technologies like information science, computer technology, the theory and method of systems engineering, human intelligence technology, and computer graph-making technology. The special research subject was sponsored by the Committee of Comprehensive Survey of Natural Resources under the State Planning Commission with the participation of 150 scientific and technological personnel from 23 units. Thanks to joint efforts, a "data bank and information system for state land resources on the loess plateau" was established. This system covered data banks on state land resources, state land resource documents, data banks on county affairs, microfiche system on the information of farm district division, supporting models for decisionmaking, information on methodology, data banks on models, experts systems, data banks on county boundary, data banks on major geological composition, comprehensive cartographic system and other subsystems of Qinghai, Gansu, Shaanxi, Shanxi, Henan, Ningxia, and Inner Mongolia, which are located on the loess plateau. In the course of establishing such a system, 60 major results were achieved. These results served as scientific consultation to the comprehensive development and study of the loess plateau and to the state in making relevant major decisions.

After the survey and research, experts put forward some strategic suggestions concerning the improvement and development of the loess plateau: It is necessary to build as soon as possible bases of energy sources with emphasis

on coal and electric power, as well as bases of important raw and processed materials industry with emphasis on nonferrous metal industry and coal chemical industry in order to ensure the realization of the strategic objectives of national economic development, alleviate the intensifying energy source shortage, and step up development of those abundant loess plateau natural resources. In development strategy, it is necessary to give higher priority to development of selected items, such as coal and electric power, because they are important to the development of other industries and to remedying soil erosion. In the meantime, however, it is necessary to adopt effective measures to solve problems such as water shortages, environmental pollution, and poor transportation because they are obstacles to economic development in the loess plateau region. In addition to implementation of existing improvement and development policies, it is necessary to formulate specific policies for various localities according to local situation. The experts also worked out three separate improvement and development programs for the late period of this century and early next century at high, intermediate, and low levels, for use by policy-makers. Both theoretical and practical results of the survey and research were popularized and applied in various provinces and autonomous regions. They have shown great feasibility and utility and yielded remarkable social, economic, and ecological benefits.

According to information released, the data bank and information system for the loess plateau's land resources is a task of high-tech and soft-science. Its completion will enable us to systematize and standardize irregular and fragmentary information on the land resources on the loess plateau, and turn the information into comprehensive, multi-time-series, and multi-time-phase data. Such data will provide reliable scientific information, make analysis and research more comprehensive and thoroughgoing, and facilitate even more rational and more scientific comprehensive development and improvement of the loess plateau. Moreover, the systematic data can be permanently maintained for use by the whole society, greatly raising the utility rate of the resource information and making the state research investment yield longterm benefit. In the meantime, the survey and research combined the development of natural resources and the qualitative analysis and quantitative research of environmental improvement. It changed conventional research methods and practices; applied simultaneously social sciences, natural sciences, and technological sciences in regional development and improvement; provided more scientific programs for policy-makers to choose from; and made resource development and environmental improvement even more rational. During the survey and research, important progress was made in research projects concerning scale models for resource development and regional development, classification and appraisal of land resource information, a resource science dictionary, a resource experts system, software for comprehensive mapping, and formula for scientific management of land resource information. These are

important research projects, which attract people's attention both at home and abroad. The progress opened up important technological avenues for systematic research of scientific management and use of land resource information, and pushed China onto the world's advanced ranks in this regard.

**Agrotechnology Helps Boost Production**

*OW0301191791 Beijing XINHUA in English  
1438 GMT 3 Jan 91*

[Text] Beijing, January 3 (XINHUA)—“The year for agrosience and technology extension” carried out by the Ministry of Agriculture last year yielded fruitful results, and served to increase per hectare grain production by 120 kg, an official from the ministry said today.

Thanks to the nationwide agrotechnology extension efforts, the official said, more aquatic products and some 470 million kg of meat were added to food baskets across the country at lower costs.

Early last year, the Ministry of Agriculture implemented the agrotechnology extension program in order to boost agriculture. Under the program, around 20 major items were chosen to be popularized [as received] all over the country. Nearly one million technicians were sent to the countryside to work alongside the farmers and solve the practical problems the farmers encountered in bolstering agricultural production.

“The bumper harvest program,” one of the major projects of the extension activity, produced an additional six billion kg of grain, 110 million kg of cotton and 400 million kg of oil-bearing seeds for the country, the official said.



## East Region

### Fujian Increases Power Generating Capacity

OW0801091091 Beijing XINHUA in English  
0752 GMT 8 Jan 91

[Text] Beijing, January 8 (XINHUA)—East China's Fujian Province now has a power generating capacity of slightly less than four million kilowatts.

Today's overseas edition of the PEOPLE'S DAILY reports that the expanded power generating capacity is sufficient to supply the power requirements for production activities and for the needs of the people in this coastal province.

In 1990, the province produced over 13.5 billion kilowatt hours of electricity.

The province invested over 4.9 billion yuan in the development of its power industry during the Seventh Five-Year Plan (1986-1990).

More than 200 million U.S. dollars of that amount was in the form of foreign funds, while over 200 million yuan came from the province, and over one billion yuan from the Huaneng International Power Development Corporation of China.

The province is now home to the Huaneng-Fujian Power Plant, the Zhangping Power Plant and Yong'an Thermal Power Plant. In addition, a number of plants and new power generating groups are under construction.

The province's sufficient electric power supply has also improved its investment environment, and has been a factor in attracting more foreign funds.

### Jiangsu CYL Supports Plenum Communique

OW0601185491 Nanjing Jiangsu Provincial Service  
in Mandarin 1015 GMT 6 Jan 91

[By station reporter (Jia Ling) and correspondents (Fang Dongling) and (Gao Hongfang)]

[Excerpts] The theme of the enlarged meeting of the Fourth Plenary Session of the Ninth Jiangsu Provincial Communist Youth League [CYL] Committee, which currently is being held in Suzhou, is studying in depth and implementing the guidelines of the communique issued by the Seventh Plenary Session of the 13th CPC Central Committee, and is mobilizing and organizing CYL members and youth throughout the province to dedicate the prime of their lives to the construction planned during the Eighth Five-Year Plan period.

Addressing the meeting today, Wang Zhancheng, secretary of the provincial CYL committee, raised specific requirements for the main tasks to be handled by CYL organizations throughout the province during the first few years of the Eighth Five-Year Plan period. [passage omitted including indistinct portion]

The CYL committees in colleges and universities must require students to integrate understanding of [words indistinct] with reception of education and dissemination of knowledge, while organizing students to participate in social practices. They are required to maintain close contact with factories and rural areas. It is hoped that colleges and universities will call on students to apply the knowledge they learned for social practice and economic construction.

### Jiang Chunyun at People's Congress Work Meeting

SK0801083691 Jinan Shandong Provincial Service  
in Mandarin 2300 GMT 7 Jan 91

[Text] The provincial meeting to exchange experience in People's Congress work ceremoniously opened in the auditorium of the club of the Nanjiao Hotel in Jinan on the morning of 7 January. The central topics for discussion at the meeting are to further study and implement the guidelines of the Seventh Plenary Session of the 13th party Central Committee and a series of important directives of the central authorities on strengthening the building of the People's Congresses and successfully carrying out People's Congress work under the new situation; to sum up and exchange the experience of the local People's Congress work since the first session of the seventh provincial People's Congress; to further clarify the new situation and the tasks facing our People's Congress work; and to make greater contributions to guaranteeing and promoting further stable political, economic, and social development in the province.

Li Zhen, chairman of the provincial People's Congress Standing Committee, presided over the meeting held on the morning of 7 January. Jiang Chunyun, secretary of the provincial party committee, attended the meeting and gave an important speech. He said: This provincial experience-exchange meeting on People's Congress work is being held just as the Seventh Plenary Session of the 13th party Central Committee has successfully concluded. Conscientiously implementing the guidelines of the seventh plenary session is a task of prime importance facing the whole party, as well as people throughout the province. Successfully carrying out this people's congress work experience-exchange meeting is of very great significance in implementing the guidelines of the Seventh Plenary Session of the 13th party Central Committee and a series of important directives from the central authorities on strengthening the building of the People's Congresses and doing a good job in the people's congress work, better displaying the functional role of the People's congresses at all levels and their Standing Committees, formulating and realizing our province's Eighth Five-Year Plan and the 10-year plan, and promoting the building of the two civilizations in our province, particularly in 1991. After fully affirming the important role and contributions of the People's Congresses at all levels across the province as well as their Standing Committees, in building the two civilizations, Jiang Chunyun said: In our province over the past few years, the People's Congresses at all levels, and their Standing

Committees, upheld the party's basic line under the party committees at all levels, conscientiously exercised all functions and powers entrusted by the Constitution and the law, and did much effective work in stabilizing the situation, developing the economy, improving socialist democracy and the legal system, and promoting reforms and opening up. Jiang Chunyun noted: The People's Congress system is our country's fundamental political system and the specific manifestation of the superiority of our country's socialist system. Upholding and improving the People's Congress system is necessary in order to adhere to the people's democratic dictatorship and the socialist orientation, and to enable our party to exercise effective leadership over state affairs, build socialist democracy and the legal system, and guarantee that the people become masters of their own destiny. The party committees at all levels throughout the province should actively support the People's Congresses and their Standing Committees; carry out their work in line with the party's central tasks; support the People's Congresses and their Standing Committees to exercise their functions in supervising the governments, the people's courts and the people's procuratorates in line with the law; and enable them to make new contributions to stabilizing the political and economic situations and to building socialist democracy and the legal system. Jiang Chunyun stressed: Our country's People's Congress system is a people's democratic system under the leadership of the party. Strengthening and perfecting the party's leadership over the work of the People's Congresses is a fundamental guarantee for successfully carrying out the People's Congress work. Party committees at all levels should include the People's Congress work on their agenda, and on the overall plan of the party committee work. It is necessary to pay attention to displaying the functional role of the people's congresses; improve the relationship between the People's Congresses, their Standing Committees and the organizations of other countries; care for and support the self-development of People's Congresses; and pay attention to and strengthen propaganda on People's Congress work. By holding this People's Congress work experience-exchange meeting, we should unify thinking, clarify tasks, enhance our spirit, and make redoubled efforts to raise to a new level the work of the People's Congresses and their Standing Committees across the province.

Attending the meeting on the morning of 7 January were provincial leaders, including Zhao Zhihao, Li Zichao, Liu Zhongqian, Zhang Quanjing, He Guoqiang, Ma Zhongcai, Lu Hong, Xiao Han, Wang Shufang, Xu Jianchun, Lin Ping, Zeng Chengkui, Yan Qingqing, and Li Ye. Some national and provincial deputies such as Zhao Lin, Qin Hezhen, Xu Leijian, Gao Fengwu, and Zhang Zhusheng also attended.

Yu Xiling, vice chairman of the Liaoning Provincial People's Congress Standing Committee; Wei Yunyu, vice chairman of the Shanxi Provincial People's Congress Standing Committee; and comrades of the general office concerned of the National People's Congress were invited to the meeting.

## Henan Officials Interviewed in Shandong

SK0701142291 Jinan DAZHONG RIBAO in Chinese  
23 Nov 90 p 1

[By reporter Hu Rongguo (5170 2837 0948): "Cooperation Between Shandong and Henan Promises Vast Prospects: Interview With Hou Zongbin, secretary of the Henan Provincial Party Committee, and Li Changchun, acting governor of Henan Province"]

[Text] The peoples of Henan and Shandong Provinces are close friendly neighbors who drink water from the same river. Today, when reform and the open policy are being carried out, the peoples of the two provinces again are embarking on the great stage of economic invigoration, hand in hand and side by side.

Immediately after the conclusion of the fifth Henan Provincial Party Congress, a 59-member observation group from Henan Province, headed by Hou Zongbin, secretary of the provincial party committee, and Li Changchun, deputy secretary of the provincial party committee and acting governor, travelled to Shandong Province for observation, despite the hardships of the long journey. On the evening of 21 November, our reporter interviewed Comrades Hou Zongbin and Li Changchun at Jinan's Nanjiao Guesthouse. Comrade Hou Zongbin said bluntly: Our visit to Shandong this time has two purposes. Over the past several years, Shandong has accumulated a wealth of successful experience in economic construction and in reform and openness. And recently, the Henan Provincial Party Committee and the provincial government have raised the slogan of "Comprehensively learning from Shandong," with a view to drawing on Shandong's good experience, thus helping promote the invigoration of Henan. This is the first purpose. The second purpose is: Henan and Shandong Provinces are very similar in many fields, and complement one another. Then too, there was a cooperation foundation in the past. Thus, further exploring the spheres and avenues leading to close economic and technological cooperation between the two provinces is the hope of the peoples of the two provinces, as well as the only way to invigorate the economy of the Central Plains of China.

Li Changchun, age 47, acting governor of Henan Province, was transferred to Henan from Liaoning just four months ago and familiarized himself with the situation of Henan very quickly. He added: Henan and Shandong are two neighboring major agricultural provinces. Shandong has coastal land, while Henan lies inland. In developing foreign trade, Henan can use Shandong's foreign trade window to develop an export-oriented economy. In addition, in developing the deep processing of agricultural and sideline products and in renovating old enterprises, Shandong has scored achievements and accumulated experience that merit learning by Henan. Henan and Shandong have a common cultural tradition and are similar in customs, habits, population, area,

weather, and natural resources. Hence, Shandong's experience is all the more intimate to Henan's situation.

With regard to the two-way exchange and overall cooperation between the two provinces, Comrades Hou Zongbin and Li Changchun told our reporters that the two provinces have cooperated with each other very well in the fields of chemical industrial raw materials, improved corn varieties, coal, and nonferrous metals. The 47 economic and technological cooperation projects that already have been carried out or are under way have enabled Henan to newly add to its output value by more than 400 million yuan and to profits and taxes by 40 million yuan. The benefits to Shandong have been much greater than this. During the current visit, Henan Province again has signed agreements on 24 economic and technological cooperation projects, including technological cooperation, material cooperation, and economic integration. For instance, the Henan and Shandong silk import and export companies will jointly establish a castor silkworm production base, with Shandong providing technologies and funds, and with Henan providing land, raw materials, and labor forces. The products will be processed and marketed by Shandong. Henan Province's Sanmenxia Huanghe Meilefu Group will transfer the high protein "Meilefu" foodstuffs production technology to Shandong's Rizhao, Weihai, and Yantai. This technology requires fewer investments and earns profits quickly, thus being more suitable for the production of township enterprises. In sum, the potential in cooperation between Shandong and Henan in the future is very great, and the prospects very bright.

At the conclusion of the interview, Comrade Li Changchun specially asked reporters to convey his best regards to the 84 million people of Shandong. He firmly believed that the peoples of Henan and Shandong together had created the ancient civilization and the Huanghe culture of the past, and on the road of four modernizations, the peoples of the two provinces surely will add an even more illustrious chapter if they work hard together.

### Shandong Reports 1990 Industrial Output Value

SK0801074791 Jinan Shandong Provincial Service in Mandarin 2300 GMT 7 Jan 91

[Summary] The total output value of industrial enterprises at and above the township level in Shandong Province reached 110.2 billion yuan, an increase of 9.28 percent over the previous year, exceeding the planned annual increase of eight percent. The annual financial income of industrial enterprises increased 7.4 percent over the previous year. The output value of light industry increased 10.19 percent over the previous year, and that of heavy industry, 8.24 percent. Initial success was made in readjusting the industrial structure. The 885 industrial enterprises receiving provincial support fulfilled their major economic targets better than the industrial enterprises without such support. The profit generated by these enterprises was higher than the national average by 22 percentage points and their total profits and taxes

were higher than the national average by 18 percentage points. More than 500 enterprises of inferior standards were merged into 300 enterprises with potential across the province. Last year, the province developed 4,300 new industrial products, over 85 percent of which were put into production, and 198 products filled the blank in the country's industrial products. Last year, the output of raw coal reached 59.78 million tons and that of crude oil reached 33.506 million tons, both overfulfilling the annual plans. The output of Shandong Power Grid exceeded 40 billion kwh, an increase of 2.2 billion kwh over the previous year. The annual output of exported industrial products was valued at 13.4 billion yuan, an increase of 17.6 percent over the previous year. The foreign exchange earnings created by the export of industrial products accounted for more than 60 percent of the province's total.

### Shandong Contract Grain Purchases Reported

SK0801085291 Jinan DAZHONG RIBAO in Chinese 24 Nov 90 p 1

[By Zhou Xingzhi (0719 5281 1807) and Dai Zhongwen (0108 0022 2429): "Our Province Has Made Rapid Progress in Storing Contract Grain and Oil-Bearing Crops"]

[Summary] As of 15 November, our province had stored 2.675 billion kg of contract purchasing grains and 270 million kg of peanuts, accounting for 95.2 percent and 77.1 percent respectively of the annual contract purchasing tasks. Compared with the same period of last year, this province stored 13 million kg of grains and 117 million kg of peanuts more this year.

### Zhu Rongji Meets Liaoning Provincial Delegation

OW0801124891 Shanghai City Service in Mandarin 2300 GMT 7 Jan 91

[From the "Morning News" program]

[Text] Zhu Rongji, municipal party secretary and mayor, met yesterday afternoon with a delegation from Liaoning Province led by Quan Shuren, secretary of the Liaoning provincial committee. Zhu Rongji warmly welcomed the delegation, saying that as the country's important industrial bases, Shanghai and Liaoning are facing similar problems. He hoped that through exchange and cooperation, Shanghai and Liaoning will progress together.

Secretary Quan Shuren briefed Zhu Rongji on Liaoning's economic development. He said: Liaoning and Shanghai are similar in many respects. We hope that the two will further increase economic cooperation and exchanges.

Huang Ju, deputy secretary of the Shanghai municipal party committee and executive vice mayor, briefed the guests on Shanghai's economic development.

Economic ties between Shanghai and Liaoning have developed rapidly in recent years. Liaoning has provided Shanghai with a large amount of pig iron, food, and



fodder, while Shanghai has supplied Liaoning with bicycles, television sets, textile, and brand-name products. The two have carried out 78 joint projects since 1989.

### Southwest Region

#### Public Security Notice on Improving Public Order

OW0701144591 Lhasa XIZANG RIBAO in Chinese  
8 Dec 90 p 3

[Notice issued by the Public Security Bureau of Lhasa City on Strengthening Administration of Public Security and Improving Public Order]

[Text] The following notice is hereby made public in order to consolidate and develop political stability and unity; ensure and promote the betterment of public order; enable the people of Lhasa to live and work in peace and contentment; enjoy New Year's Day, the Spring Festival, and Tibetan New Year; greet the 40th anniversary of the peaceful liberation of Tibet; create a fine social environment; and make Lhasa a beautiful, clean, civilized, and prosperous city:

1. The people of all nationalities in the city must strictly abide by state laws, decrees, and relevant regulations of the city government; consciously observe social ethics, safeguard public order, energetically struggle against criminal acts designed to disrupt and undermine normal public order, and join efforts to improve Lhasa's public order.

2. All government organs, civilian organizations, military units, schools, neighborhoods, enterprises, and institutions should strengthen propaganda and education among cadres, staff members, workers, and the masses; enhance their awareness of abiding by laws and discipline; and actively assist public security organs in curbing illegal criminal activities and in improving public order.

3. All outsiders residing temporarily in the city must complete their temporary residence procedures, in accordance with government regulations, at the local public security organ where they reside. They must consciously abide by all regulations. Inns, hostels, hotels, and guest houses should strengthen lodging control, earnestly carry out lodging registration and declaration work, and strictly ban persons without proper identification from seeking lodging in their facilities. If discovered, such persons will be dealt with severely.

4. Creating a disturbance in public places under the influence of alcohol; scuffling and fighting; gambling or gambling in disguise; prostitution; drug using and selling; swindling of money or material by making use of feudalistic superstition; spreading, making, or selling pornographic materials; and other criminal activities are strictly banned. If discovered, violators will be severely punished.

5. No one is allowed to carry guns or ammunition in the city proper except public security and armed police personnel on duty. Carrying cutting tools in excess of the limit set by

regulations is strictly banned within the city. If discovered, violators will have their cutting tools confiscated in accordance with the provisions of the city public security bureau on the control of cutting tools and the Measures of the People's Republic of China on the Control of Guns and Ammunition, and will be severely punished.

6. All must consciously observe traffic regulations and safeguard traffic order. Driving under the influence of alcohol, driving without a license, and speeding are strictly banned. Indiscriminate parking of vehicles in the downtown area is strictly prohibited. Vehicles without special passage permits and bicycling are strictly banned from the Balang Street. In order to ensure the uninterrupted flow of traffic, setting up stalls in thoroughfares to obstruct traffic is strictly banned.

7. Public security organs at all levels should carry out their duties faithfully and should strive earnestly to improve public order in line with the principle of strengthening the administration of public in a strict manner. In work, public security personnel should carry out their duties in a civilized way, treat people politely, handle all matters in accordance with the law, and strive to improve public order through actual deeds.

[Signed] Public Security Bureau of Lhasa City

[Dated] 5 December 1990

### North Region

#### Li Ximing, Chen Xitong Reward Theatrical Group

OW0801102791 Beijing Central Television Program  
One Network in Mandarin 1100 GMT 7 Jan 91

[From the "National News Hookup" program]

[Text] The Beijing Municipality Party Committee and Municipal Government held a grand meeting this morning to commend and award the (Kewang) Theatrical Group and its Beijing Opera, *Adding Eyes to a Painted Dragon*, and the creators of the song and dance drama: *A Trip to the Holy City*.

Comrades Li Ximing and Chen Xitong attended the meeting and presented citations to the commended personnel. [Video shows close-up of Li Ximing and Chen Xitong presenting awards and shaking hands with commended theatrical personnel]

In a speech, a leader of Beijing Municipality spoke highly of their contributions to carrying forward the national culture and spreading noble socialist ethics.

#### Chen Xitong Helps To Dredge Imperial Garden Lake

OW0701075791 Beijing XINHUA in English  
0715 GMT 7 Jan 90

[Text] Beijing, January 7 (XINHUA)—Kunming Lake, one of the most beautiful scenes in the Imperial Garden

of the summer palace in northwest Beijing, is being dredged for the first time in 240 years.

A report from today's "BEIJING DAILY" says that 100,000 volunteers from army and armed police units, high schools, colleges and government offices have been working day and night in the cold weather to remove the lake's 80,000 cubic meters of ice.

Speaking at a ceremony held yesterday, Yu Luwei, a college student representative said that he and other students are more than willing to work to protect the nation's relics.

Built by Empress Dowager Ci Xi (1835-1908) of the Qing Dynasty (1644-1911) to celebrate her 60th birthday, the summer palace covers 823 acres and has more than a hundred building and halls.

It was learned that the dredging project will be completed in February. In addition, roads will be repaired and more trees will be planted before the lake opens to visitors in late February.

Mayor Chen Xitong and other municipal government officials also took part in the labor yesterday.

#### Beijing Veteran Cadres Make Contributions

SK0801083091 Beijing BEIJING RIBAO in Chinese  
22 Nov 90 p 1

[Summary] The broad masses of retired veteran cadres in Beijing Municipality have made marked contributions to building the two civilizations over the past years. According to incomplete statistics, out of almost 40,000 retired veteran cadres in the municipality, more than 14,000—one third of the total—have continuously played their role on various fronts.

More than 60 able veteran comrades have been sent out by the municipal party committee to assume the work of checking on inner party affairs, examining the work done by the leading cadres and bodies, and doing the second registration of party members.

Various districts, counties, bureaus, general company offices, and the municipally owned higher educational institutions have appointed 394 veteran comrades to assume the tasks of examining the work done by the leading personnel and bodies at the section level and of checking on the work done in discipline inspection operations.

More than 200 veteran comrades have joined in the work of compiling the history of the party, organizations, chronicles, and the schools, as well as of compiling local chronicles and the history of specialized industries and trades. Some of them have been writing their own memoirs.

More than 2,000 veteran cadres have devoted themselves to showing concern for the education of juveniles by going often to various middle and primary schools to give lectures on patriotism and the revolutionary tradition.

More than 2,000 veteran cadres have joined the neighborhood committees in publicizing the principles and policies of the party and the country, safeguarding social peace, dealing with civil disputes, protecting the rights and interests of women and children, conducting family planning work, and beautifying the environment.

Almost 4,000 veteran comrades raised funds for the Asian Games and more than 3,000 joined in the labor services for the Asian games.

More than 3,800 veteran comrades have assumed leading posts in party organizations in charge of veteran comrades' affairs and of party-member groups at party branches formed by veteran comrades. They also have scored marked achievements in conducting their leading work.

More than 4,470 veteran comrades have offered ways and means for enterprises to improve their economic environment, to rectify their economic order, and to deepen their reform drive. They also have suggested ways to develop science and technology, education, and public health. They have made marked contributions in these areas.

#### Hebei Secretary Speaks at Forum on Exports

SK0801093791 Shijiazhuang Hebei Provincial  
Service in Mandarin 2300 GMT 20 Nov 90

[Excerpts] On the evening of 20 November, Xing Chongzhi, secretary of the provincial party committee; Cheng Weigao, acting provincial governor; Ye Liansong, executive provincial vice governor; and Guo Hongqi, provincial vice governor; called together party secretaries, commissioners and mayors of various prefectures and cities, and responsible comrades of the provincial foreign economic relations and trade commission and its subordinate companies, who were attending the conference in Tangshan City on opening to the outside world, for a forum on how to promote our province's exports. This was the major topic of the discussion. [passage omitted]

Xing Chongzhi gave two opinions at the end of the forum. First, foreign economic relations and trade departments and various prefectures, cities and counties have one similar purpose, namely to lead and facilitate Hebei's economic development through foreign trade. They have their responsibilities, and should carry out their part of the work. Second, they should do a good job in service. Foreign economic relations and trade departments should render various kinds of services to local authorities and to the enterprises that earn foreign exchange through exports, such as providing information, training personnel, importing advanced technology and equipment, and supplying funds. Prefectures, cities and counties, as well as the enterprises that earn foreign exchange through exports, also should render services to foreign trade by producing and developing new products, providing sufficient goods for export, and opening up and expanding their room in the international market.

Cheng Weigao said: We should affirm the very good results our province has achieved in foreign economic relations and trade. However, the province still lags rather far behind others. Foreign economic relations and trade departments should greatly mobilize their personnel to unify their thinking, and enhance their understanding. In particular, they should guard against using external objective factors to cover up their internal contradictions. The important thing is that they should make concerted efforts to boost the enthusiasm of prefectures, cities, and counties, as well as enterprises for promoting foreign trade.

Ye Liansong and Guo Hongqi emphasized in their speeches that foreign economic relations and trade departments, local authorities, and enterprises should truly embrace the concepts of partnership and cooperation, of mutual support, and of coordinating foreign economic relations with foreign trade, and should further enhance their sense of service. As long as all fields work in coordination, our province's exports will be greatly improved, and a new situation will be created.

#### Wang Qun Relays Seventh Plenum Guidelines

SK0401071691 Hohhot Inner Mongolia Regional Service in Mandarin 2300 GMT 3 Jan 91

[Text] On 3 January, the Inner Mongolia Autonomous Regional Party Committee held an enlarged Standing Committee meeting to relay the guidelines of the Seventh Plenary Session of the 13th CPC Central Committee and to make specific requirements for studying and implementing the guidelines in the next step.

Attending the meeting were Standing Committee members of the regional party committee, responsible comrades of the various major regional departments, and responsible persons of pertinent departments, commissions, offices, and bureaus.

Wang Qun, Bu He, and Batubagen respectively relayed the guidelines of the Seventh Plenary Session of the 13th Party Central Committee and some other major documents. Then Wang Qun made some specific suggestions for in-depth study and implementation of the guidelines of the Seventh Plenary Session. He pointed out: At present, various major departments and leading organs should take the lead in studying the guidelines of the Seventh Plenary Session in an effort to truly unify their thinking and understanding with the guidelines and to implement them with a high degree of consciousness. Based on this, we should further seek unity in thinking and understanding among comrades of the whole party, and should mobilize all party comrades and the people of all nationalities across the region to immerse themselves in hard work with a good spirit.

Wang Qun demanded: In studying and implementing the guidelines of the Seventh Plenary Session, we should carry forward the work style of integrating theory with practice; combine conscientious study, thorough research, and profound analysis and understanding of

the guidelines with the reality of our region; and define our region's specific plans by aiming at helping to build socialism with Chinese characteristics, helping to fulfill the second step of strategic goal of our country's economic development, and helping to attain a relatively comfortable standard of living. In the meantime, great efforts should be made to implement these specific plans one after one.

Wang Qun also made specific suggestions in an ideological vein on how to implement the guidelines of the Seventh Plenary Session of the 13th Party Central Committee.

#### Inner Mongolia Develops Foreign-Funded Enterprises

SK0701133991 Hohhot NEIMENGGU RIBAO  
in Chinese 22 Nov 90 p 1

[By reporter Zhang Zedong (1728 0772 2767) and correspondent Yang Jinhe (2799 6930 0735): "There Are 33 Foreign-Funded Enterprises in Our Region"]

[Summary] Our region has rapidly developed foreign-funded enterprises during recent years. There are 33 registered Sino-foreign joint and cooperative enterprises and foreign-funded enterprises in the region, with a total registered capital of 275.9 million yuan. Last year, foreign-funded enterprises earned \$5.26 million of foreign exchange and created 10.74 million yuan in profits and taxes. Statistics obtained from 11 foreign-funded enterprises showed that during the first 10 months of this year, foreign-funded enterprises earned \$11.12 million in foreign exchange, and created 9.66 million yuan in profits and taxes. Since 1985, our region has planned to run 50 Sino-foreign joint and cooperative enterprises and foreign-funded enterprises with the United States, Britain, France, Japan, the Netherlands, Singapore, Hong Kong, Macao, and Taiwan, of which 33 enterprises have been registered and nearly 20 are waiting for approval.

#### Inner Mongolia Crop Statistics Reported

SK0701133691 Hohhot NEIMENGGU RIBAO  
in Chinese 26 Nov 90 p 1

[By reporter Shen Sixiang (3088 1835 3276) and correspondent Feng Zhizhong (7458 1807 0022): "Bumper Harvest"]

[Summary] Based on statistics, the total output of Inner Mongolia's beets this year reached 2.36 million tons, an increase of 33 percent over last year. The per-mu yield was 2,378 kg, an all-time record. This year, the whole region planted a total of 1.428 million mu of beets, an increase of 17 percent over last year.

The total output of oil-bearing crops reached 690 million kg, an increase of 40.8 percent over last year, the second high-yield record in the region's history of oil-bearing crop cultivation. This year, the sown acreage of the region's oil-bearing crops reached 7.771 million mu, an increase of 106,000 mu. The systematic planting of oil-bearing crops has enabled the average per-unit area



yield of oil-bearing crops to reach 89 kg. This alone made the output of oil-bearing crops increase 190 million kg.

This year, the total output of the region's paddy reached 314 million kg, an increase of 63.5 percent over last year. The average per-mu yield was 264 kg. This year, this region planted 1.19 million mu of paddy fields, an increase of 400,000 mu over last year.

### **Shanxi Makes Strides in Eliminating Poverty**

OW0801121091 Beijing XINHUA in English  
0849 GMT 8 Jan 90

[Text] Taiyuan, January 8 (XINHUA)—North China's Shanxi Province has put forth great effort in the past six years to eliminate poverty.

Statistics show that in the past the province had 35 mountainous counties where the annual per capita income of farmers was less than 200 yuan. These counties have a rural population of 4.5 million.

Beginning in 1985, the provincial government reduced or exempted agricultural taxation in these areas, assisted in the construction of highways and roads, diverted water to areas suffering a shortage, trained farmers and rural cadres, and led efforts to establish a diversified economy.

As a result, the social output value of the 35 counties totalled over 3.47 billion yuan in 1989, up from 2.13 billion yuan in 1985. In addition, the total income of agriculture reached 2.78 billion yuan, up from 1.75 billion yuan.

The 1990 annual per capita income of the farmers in these counties increased to over 350.6 yuan, up 43.3 percent over 1985.

## **Northeast Region**

### **Heilongjiang 1990 Industrial Output Value Noted**

SK0801012391 Harbin Heilongjiang Provincial  
Service in Mandarin 1000 GMT 7 Jan 91

[Summary] According to the provincial Statistics Bureau, in 1990, Heilongjiang Province's industrial output value totalled 48.137 billion yuan, an increase of 0.4 percent over the previous year, of which the output value of light industry increased 2.7 percent over the previous year, and that of heavy industry dropped by one percent. The output value of state industrial enterprises increased 0.1 percent over 1989 and that of collective industrial enterprises increased 1.4 percent. Compared with 1989, the output of raw coal increased 8.6 percent; crude oil, 0.4 percent; and electricity, 6.6 percent. The output of other major industrial materials also increased to varying degrees.

### **Heilongjiang Increases Metallurgical Production**

SK0801012991 Harbin Heilongjiang Provincial  
Service in Mandarin 1000 GMT 7 Jan 91

[Summary] Heilongjiang achieved a sustained, steady, and coordinated increase in metallurgical production during the Seventh Five-Year Plan period. In comparing the Seventh Five-Year Plan period with the Sixth Five-Year Plan period, the output of steel increased by 1.26 million tons, rolled steel by 860,000 tons, pig iron by 1.3 million tons, and coke by 2.6 million tons. The annual average growth rate of major metallurgical products was higher than the national average growth rate. During this period, the investment in technically transforming old metallurgical enterprises reached 1.17 billion yuan. The production capacity of steel, rolled steel, pig iron, and coke improved greatly. The varieties of steel products increased from eight to 12. The industrial output value of metallurgical industrial enterprises across the province increased from 680 million yuan in 1985 to 1.6 billion yuan in 1990, an annual average increase of nine percent, and the profits and taxes they created increased from 140 million yuan in 1985 to 260 million yuan in 1990, an annual average increase of 13 percent.

### **Quan Shuren Addresses Liaoning Entrepreneurs**

SK0701033791 Shenyang Liaoning Provincial  
Service in Mandarin 1030 GMT 5 Jan 91

[Text] Quan Shuren, secretary of the provincial party committee, gave an important speech at the 1990 annual meeting of the provincial Association of Enterprise Management and the provincial Association of Entrepreneurs, which concluded today. He said: The just-concluded Seventh Plenary Session of the 13th party Central Committee was a very important session. From now on, we should organize party members and the masses throughout the province to understand and implement well the guidelines of the session. This is our central work for the present.

Speaking on our province's political and economic situations, Quan Shuren pointed out: The 10 years of reform constituted the best period for our province's economic development. The province comprehensively fulfilled the Seventh Five-Year Plan, controlled inflation through economic improvement and rectification, and increased supplies of materials. Last year, our province again reaped a bumper harvest in agriculture, and achieved stability in the market, commodity prices, society, and the people's mood. The situation in both cities and rural areas was good. This is the main aspect. Despite the numerous difficulties in industrial production currently, we should note that our enterprises have continuously heightened their morale and improved their management and product quality. We should see our bright prospects and have a good attitude.

Speaking of ways to invigorate large and medium-sized enterprises, Quan Shuren said: Our province has more than 900 large and medium-sized enterprises, ranking

first in the country in terms of number. Whether or not large and medium-sized enterprises can be invigorated will directly affect the development of the entire province. In the next step, we should regard quality, variety, and efficiency as a key issue, and we should conduct a study of it. We should pay attention to both enterprise management and technological progress. Liaoning's enterprises face a fatal problem, namely outdated technology. Whether or not the old industrial base can regain its vigor will be determined by technical transformation. During the Seventh Five-Year Plan period, we technically transformed one-third of the old enterprises, but two-thirds have yet to be transformed. The present market sluggishness has resulted mainly from the lack of competitiveness of our products. To increase the competitiveness of our products, we should quicken our pace in technological progress.

Yue Qifeng, acting provincial governor, and Zhu Jiazhen and Wen Shizhen, provincial vice governors, also held talks with the participating entrepreneurs on ways to invigorate large and medium-sized enterprises.

#### **Liaoning Personnel Changes Reported**

SK0701142391 Shenyang LIAONING RIBAO  
in Chinese 24 Nov 90 p 1

[Text] On 23 November, the 19th meeting of the provincial People's Congress Standing Committee approved a number of personnel changes in the state apparatus.

Zhao Shufen [6392 3219 5358] was appointed member of the internal affairs and judicial committee under the provincial People's Congress.

Xu Yanping [1776 3601 1456] was appointed member of the education, science, culture, public health committee under the provincial People's Congress.

Gao Guozhu [7559 0948 3796] was appointed chairman of the provincial foreign economic and trade commission.

Zhang Ziqi [1728 5261 2722] was appointed director of the provincial textile industry department.

Xia Weiliang [1115 3262 5328] was dismissed from his post of director of the provincial textile industry department.

Han Zhishun [7281 1807 7311] was dismissed from his post of director of the provincial light industry department.

Jin Yanwu [6855 3508 0582] was appointed director of the education, science, culture, public health office under the provincial People's Congress Standing Committee.

Liu Fang [0491 2397] was appointed director of the financial and economic office under the provincial People's Congress Standing Committee.

Zhang Yujia [1728 3768 3381] was appointed deputy director of the general office under the provincial People's Congress Standing Committee.

Chou Xiaodong [0092 2556 2639] was appointed deputy director of the research unit under the provincial People's Congress Standing Committee.

Bai Xiaopeng [4101 2556 7720] was appointed deputy director of the nationalities, Overseas Chinese, and foreign affairs office under the provincial People's Congress Standing Committee.

Zou Benren [6760 2609 0088] was dismissed from his post of director of the financial and economic office under the provincial People's Congress Standing Committee.

Fang Zhizhao [2455 0057 2507] was dismissed from his post of director of the education, science, culture, public health office under the provincial People's Congress Standing Committee.

He Bo [0149 3134] was dismissed from his post of chief procurator of the Yingkou City People's Procuratorate.

#### **Liaoning's Yue Qifeng Views Industrial Production**

SK0701134891 Shenyang LIAONING RIBAO  
in Chinese 23 Nov 90 p 1

[Text] After hearing reports on the province's industrial production situation, Acting Governor Yue Qifeng stated: In the face of difficulties, cadres, staff members, and workers on the provincial industrial front should be inspired with enthusiasm, have the confidence and courage to overcome difficulties, attend to conducting technological transformation among enterprises with a focus on upgrading economic results, realistically strengthen enterprise management so as to upgrade it, bring advantages into play, conduct cooperation, grasp the work of key enterprises to help improve smaller ones, and make concerted efforts to promote the development of local, town, and township industrial enterprises.

From 8 to 10 November, Yue Qifeng, acting governor of the province; Wen Shizhen, provincial vice governor; and Cui Yukun, secretary general of the provincial government, heard the work reports of the provincial machinery, metallurgical, textile, petrochemical, electronics, light industrial, coal, power, building materials, and medical industries. Acting Governor Yue Qifeng emphatically pointed out: With greater difficulties and many problems, our provincial industrial front still fails to change the situation where production is at its lowest level. The grim industrial situation has simultaneously brought about strains on the financial and economic situation. Such economic factors as market and capital affect the current industrial production situation and bring some difficulties to industrial production. However, we must not ignore the influence of noneconomic factors. Society as a whole should create a favorable external environment for enterprises. Meanwhile, in face of difficulties, enterprise leaders and managers should maintain a good outlook, display their subjective functions, conduct ideological and political work, and guide staff and workers to overcome difficulties. Whether or not enterprises can withstand and overcome difficulties

is the key to examining enterprise leaders' awareness, ability, and quality. He pointed out: The state delegated the rights to manage enterprises and equipment to enterprise leaders. Under the strained circumstances, they should further take the whole situation into account and conscientiously assume their responsibility. However, a tiny number of enterprise leading bodies are not yet stable. The disputes between them affect the enterprises' production development. Thus, all localities should do their jobs well in a timely manner, strive to solve their ideological problems, and adopt organizational measures if necessary.

After hearing the reports of several trades, including the metallurgical industry, acting Governor Yue Qifeng explained, in line with the province's actual conditions, that Liaoning, as an old industrial base, should correctly handle the relationship between quality and quantity when conducting technological transformation among old enterprises during the Eighth Five-Year Plan period. He pointed out: During the Eighth Five-Year Plan period, we should unshakably attend to technological transformation. Through transformation, the existing enterprises should make new improvements in their industrial structures, product mixes, technological level, and quality. In making revisions, enterprises should concentrate on tapping potential, developing precision and intensive processing of products, and extending and expanding production, but must not repeatedly follow the old path of simply increasing production and expanding the production capacities. Realizing a change from winning victory through quantity to winning victory through quality should be regarded as an orientation and a focus to conduct technological transformation during the Eighth Five-Year Plan period. The people from higher levels downward definitely should foster this thinking. He said: All industrial trades should make the most of the province's natural resources and technological advantages and organize forces to develop precision and intensive processing of major products so as to upgrade the product quality and technological level. We will get more results by spending money and energy to conduct transformation than by simply increasing production capacities and continuously developing "ordinary goods." He said: There are many old enterprises in our province. Thus, our technological transformation tasks are rather heavy. From now on, we should pay attention to upgrading enterprises' self-transformation and self-development abilities. Setting up and perfecting technological transformation mechanisms is conducive to helping enterprises lay a good foundation for long-term development.

Our machinery and electronics industries should try every possible means to serve the transformation of old enterprises. This is an important task for the foreseeable future. Acting Governor Yue Qifeng set out this requirement after hearing reports on the production situations of machinery and electronics industries. He pointed out: Our machinery and electronics industries should provide the necessary services for transforming technologies and

assimilating, applying, and domesticating imported technologies. This is an important way to solve the current problems, including sluggish markets and enterprises' insufficient production capacities. From now on, enterprises should rely on their own efforts to conduct technological transformation and equipment renewal, and should not go out of the province to do work that can be accomplished within the province. To this end, our enterprises are compelled to cooperate with universities, colleges, and scientific research units, and to ensure that their product quality and technological level are higher than those of others and that the prices of their products are lower than others. As for some new items that must be imported, we should try every possible means to import only small amounts of key equipment, and then rely on our own efforts to make auxiliary parts. Liaoning has provided equipment for the whole country for many years. The machinery and electronics industries should organize technological transformation service groups to actively serve consumers throughout the country. They should carry parts and provide diagnostic and repair services for their consumers in order to expand their service spheres, upgrade their reputation, and enhance their competitiveness. The province should formulate preferential policies to solve problems related to import substitutes and auxiliary services. In the course of this transformation, we should halt duplicate construction, production, and importing. With regard to the next phase of technological transformation work, we should set up new technological transformation mechanisms, carry out new methods for applying new equipment, fix the number of years for depreciation of equipment according to the international equipment technological progress levels, and increase depreciation funds so as to ensure the continuous renewal of equipment and to avoid falling into another vicious circle.

Yue Qifeng particularly emphasized the need to realistically strengthen enterprise management and to upgrade enterprises' management ability and operational level. After hearing reports by the textile and light industrial trades, he asked: Why does our province lack market competitiveness, although it has many gold and silver brands, and famous quality products? This is partly due to our extensive management and our weakness in management concepts and ability. He set out that industrial enterprises first should rapidly change their extensive management situation, and discover ways to strengthen management, reduce consumption, upgrade quality, readjust structures, and increase economic results. Second, they should extricate themselves from the long-term influence of the product economy and the habit of "waiting for guests at home"; make plant management strategies, management ideas, managerial work styles, management means, management structures, and a managerial worker regiment, and make product sales and advertising suit market changes; upgrade the position of management work; and realistically improve managerial work and the marketing of



products. Third, they should upgrade enterprises' competitiveness in both the domestic and international markets. As soon as possible, we should change the current situation in which some enterprises are large and all-embracing and some are small and all-embracing, break the bounds of different trades and different regions, draw close to advantageous industries and products, apply the methods of "each enterprise makes its own plans and has its management in keeping with appropriate trades" to organize enterprise associations, to gain advantage of certain scales, and to expand their capability to occupy markets.

After hearing the reports, Yue Qifeng set out that the departments and bureaus under the provincial government should strengthen their functions for management of trades and organize and should coordinate production, management, transformation, and development. He praised the provincial petrochemical industrial bureau for bringing its advantages into play and coordinating with departments in charge of the work of town and township enterprises to guide the development of town and township chemical industrial enterprises. He urged all industrial departments and bureaus to bring the development of county, district, town, township, and village industrial enterprises into line with trade management, and to regard it as an important task and take care of it. He said: Large enterprises across the province should foster the development of local, town, and township industrial enterprises. If they fail to do so, the localities will have no strength and the province will have no foundation, means, or ability to serve large enterprises. Departments and bureaus should apply policies, and technological and managerial means to help town and township industrial enterprises solve the problems cropping up in the course of development instead of criticizing them. We should help conduct technological transformation, give guidance for improving enterprises, and protect the functioning of large enterprises in order to promote and ensure the smooth development of small ones.

#### **Liaoning Local Power Production Reported**

SK0701124991 Shenyang LIAONING RIBAO  
in Chinese 20 Nov 90 p 1

[Summary] Over the past 10 years, Liaoning Province has brought about tremendous changes in power production by vigorously building locally owned heat and power plants and by encouraging enterprises to set up their own power stations. The capacity of locally owned power plants has increased from 460,000 kilowatts in 1980 to 2.26 million kilowatts in 1990 and their annual power output has increased from 2.6 billion kilowatt-hours in 1980 to 9.9 billion kilowatt-hours in 1990. Over the last 10 years, their capacity has shown a 5.5-fold increase, accounting for one-third of the capacity of the province's power grid, and their power output has shown a 3.8-fold increase, accounting for one fourth of the output of the province's power grid. The number of enterprises that recently have built or expanded their power stations during the 10 year

period has increased from 22 in 1980 to 66 in 1990, and the number of their power stations has increased from two in 1980 to 70 in 1990.

#### **Liaoning Reports Hydroelectric Station Development**

SK0701134791 Shenyang Liaoning Provincial  
Service in Mandarin 1030 GMT 5 Jan 91

[Excerpt] The Seventh Five-Year Plan period saw the fastest development in our province's small hydroelectric stations. The capacity of the province's small hydroelectric stations increased to 129,000 kilowatts, doubling that of the Sixth Five-Year Plan period. In 1990, these stations generated approximately 270 million kilowatt-hours of electricity, amounting to 17 percent of the electricity consumed throughout the province by the rural areas at the county level and above, and 18 percent of the electricity consumed by township enterprises. [passage omitted]

#### **Northwest Region**

#### **Yin Kesheng Relays 7th Plenum Spirit**

HK0801071891 Xining Qinghai Provincial Service  
in Mandarin 2300 GMT 4 Jan 91

[Text] Yesterday, the Qinghai Provincial CPC Committee held an enlarged standing committee meeting to relay the spirit of the Seventh Plenary Session of the 13th Party Central Committee.

Provincial Party Committee Secretary Yin Kesheng and deputy secretary and governor Jin Jipeng relayed the main spirit of the session.

Deputy Secretaries Tian Chengping and Sang Jiejia, Standing Committee members Bian Yaowu and (Cai Zhulin), Central Committee member Gaisang Doji, and all the party-member cadres at and above deputy provincial governor level attended the meeting.

Relaying the spirit of the session, Comrade Yin Kesheng said: The Seventh Plenary Session of the 13th party Central Committee was an extremely important meeting in the history of the party which was aimed at seeking truth from facts, developing democracy, strengthening confidence, and enhancing unity. The Proposals of the CPC Central Committee on Formulation of the 10-Year National Economic and Social Development Plan and the Eighth Five-Year Plan, which were adopted, summed up the valuable experiences of building socialism with salient Chinese characteristics since the Third Plenary Session of the 11th party Central Committee; set forth the basic tasks, principles, and policies for our country's national economic and social development in next decade; drew a blueprint for attaining the second stage of strategic goals; not only fully summed up and affirmed the achievements of the decade-long reform and opening up, but also realistically pointed out the problems that still exist; and put forward not only the main goals to be attained, but also the practical and

feasible measures aimed at boosting morale, mobilizing enthusiasm, and bringing about steady and appropriate development.

Yin Kesheng said: The party's basic line runs through the proposals, which are a programmatic document aimed at providing theoretical and policy guidance. They certainly will serve as a powerful ideological weapon capable of unifying the ideology of the entire party, developing national spirit, and ensuring continued exploration and progress.

He said: By studying the spirit of the Seventh Plenary Session and implementing the proposals adopted, people of all nationalities in our province certainly will unite more closely, work with one heart and one mind and in a down-to-earth manner, and strive to successfully accomplish all the grand tasks set out in the 10-Year National Economic and Social Development Plan and the Eighth Five-Year plan.

When speaking of the basic content and spirit of the proposals adopted, Yin Kesheng said: In order to comprehensively understand and truly grasp the spirit and nature of the document, we must concentrate on studying and comprehending the following issues: A scientific analysis of both the international and domestic situations; the guiding ideology for formulating the 10-Year National Economic and Social Development Plan and the Eighth Five-Year plan, which is: To unswervingly take the road of building socialism with salient Chinese characteristics, resolutely push ahead with reform and opening up, firmly implement the principle of ensuring sustained, steady, and coordinated national economic development, unswervingly implement the principles of self-reliance, hard work, industriously and thriftily building the country, and resolutely implement the principle of simultaneously grasping material civilization building and spiritual civilization building.

Yin Kesheng said: We also must concentrate on studying and comprehending the following issues: The focal point of economic construction; the orientation of in-depth economic structural reform; correctly handling relations between centralization and decentralization, between improvement and rectification on the one hand, and in-depth reform and economic development on the other, and between the coastal and hinterland development.

When speaking of strengthening and improving party leadership, Yin Kesheng said: The key to the smooth implementation of the 10-Year National Economic and Social Development Plan and the Eighth Five-Year plan lies in strengthening and improving party leadership. In order to strengthen and improve party leadership, we must first of all ensure that the party's power of leadership is in the hands of those loyal to Marxism.

He said: Party committees at all levels and the broad masses of Communist Party members must give full play to their role as a fighting bastion and to their vanguard and exemplary role; consciously stand in the forefront of building socialist modernization, reform, and opening

up; brace up; forge ahead; carry out continued exploration; and indeed honestly perform official duties, work hard, forge close ties with the masses, and make selfless contributions so as to greet the 70th anniversary of the founding of the CPC.

Comrade Yin Kesheng finally put forward some major tasks to be accomplished by the provincial party committee and the provincial government at the present time. He called on various areas and units to concentrate efforts for some time on organizing the broad masses of party members, cadres, as well as staff and workers to study the spirit of the session, unify the ideology of all in accordance with the spirit of the session, unify understanding, mobilize enthusiasm, unite as one, work hard, live a plain life, and make contributions to Qinghai's development.

### **Qinghai Meeting Views Social Order Maintenance**

*HK0701141891 Xining Qinghai Provincial Service  
in Mandarin 2300 GMT 3 Jan 91*

[Text] The provincial leading group responsible for comprehensive harnessing of social order held a telephone meeting yesterday afternoon to report on the activities of the "Provincial Social Order Comprehensive Harnessing Propaganda Month" and to call on various areas to continue successfully carrying out work in this regard in order to create a stable and fine social environment, maintain good social order, and enable people of all nationalities in our province to spend the Lunar New Year holiday safely and happily.

On 14 November 1990, the provincial party committee and the provincial people's government held a broadcast and televised provincial mobilization rally on comprehensively harnessing social order. After more than one month of propaganda and mobilization, we have achieved some good results in this regard. The situation of Xining City and Haidong Prefecture shows that more than 60 percent of adults have received education in this regard. While grasping propaganda and mobilization work, various areas also have strengthened implementation. Now all the autonomous prefectures, prefectures, cities, and counties across our province have set up leading groups and offices, and have assigned personnel to take charge of the work. Some even have studied and formulated rules and regulations for their own areas, departments, and units, while others have implemented responsibility systems relating to social order maintenance and systems of rewards and penalties. Most of the areas of our province have made conscientious efforts to solve problems that have caused great concern among the masses or some serious problems concerning comprehensive harnessing of social order. Xining City already has begun rectifying its waste recovery trade and has issued a ban on narcotics. The provincial people's procuratorate and various municipal people's procuratorates have begun investigating people who have been released from reform through labor or reeducation through labor since the struggle of cracking down on

major and serious crimes was unfolded. Now a macro-climate for comprehensively harnessing social order, in breadth and depth and on a grand and spectacular scale, is taking shape in both urban and rural areas of our province, thanks to the leaders, who have attached great importance to the work; to the whole party, which has been fully mobilized in this regard; and to the masses, who have actively participated in the work.

The meeting pointed out: Although good results have been achieved, the work has witnessed an unbalanced development. Therefore, all areas must continue to carry out propaganda and mobilization work. Those areas and units the leaders of which have failed to pay sufficient attention to the work, or have not yet placed comprehensive harnessing of social order high on their agendas, or have carried out superficial rather than in-depth propaganda work in this regard, should continue to study all the relevant documents. Responsibility must be affixed, in accordance with the relevant regulations, to the leaders of those areas and units that have failed to pay sufficient attention to the work, or have been plagued by a growing number of crimes or suffered grave losses simply because they have turned a deaf ear to the repeated warnings.

The meeting called on all areas to continue furthering the struggle to crack down on major and serious crimes; to prevent, investigate, and crack major and serious cases; to round up escaped criminals; and conscientiously to implement and carry out the National People's Congress Standing Committee's decisions on banning narcotics and punishing criminals engaged in smuggling, manufacturing, reselling, and spreading pornographic materials so as to resolutely crack down on these two types of criminals and make security work during the forthcoming holiday a complete success.

### **Qinghai Boosts Agriculture, Industry, Trade**

OW0801023491 Beijing XINHUA in English  
0219 GMT 8 Jan 91

[Text] Xining, January 8 (XINHUA)—Northwest China's Qinghai Province gave a great boost to its agricultural and industrial production and foreign trade during the Seventh Five-Year Plan period (1986-1990).

The gross national product reached 634 million yuan last year, registering an average annual increase of 5.5 percent in the five years. At the same time, the national income increased by an average of 6.1 percent each year. The annual increases of the gross industrial and agricultural output value amounted to 11.6 and three percent, respectively.

Crude oil output amounted to 750,000 tons last year, after an annual increase of 30.4 percent. Electricity production, which increased 38.5 percent each year, reached 580 million kwh [kilowatt-hours] in 1990. The province produced 1.3 million tons of raw salt, following an annual increase of 28.9 percent.

The total grain output of Qinghai last year reached 1.14 million tons, after an increase of 2.6 percent each year. The province produced 140,000 tons of meat in 1990, following an annual increase of 4.6 percent.

The township enterprises in the province increased their production volume by 14.7 percent annually. The export volume of foreign trade, which increased at an annual rate of 22.1 percent, amounted to 60 million U.S. dollars last year. The major export products include metal silicon, ferrosilicon and handmade carpets.

Large-scale projects, including the Qinghai Potash Fertilizer Plant, Qinghai Aluminum Plant, Longyangxia Power Plant and Minhe Magnesium Plant, were all put into production during the period.

The Qinghai Oilfield has developed its annual production capacity to one million tons. A new oil pipeline has also been put into use. A large oil refinery capable of refining one million tons of oil each year is being built in the province's Golmud City. Construction of the Lijiaxia Power Plant, which has a designed capacity of two million kw [kilowatts], is underway and is expected to be completed next year.

### **Zhang Boxing Gives Impressions of 7th Plenum**

HK0801022991 Xian Shaanxi Provincial Service  
in Mandarin 0030 GMT 5 Jan 91

[Excerpts] On the afternoon of 3 January, the provincial party committee held a standing committee meeting to relay and study the spirit of the 13th party Central Committee's Seventh Plenary Session.

All the provincial party committee standing committee members, responsible comrades of all the major provincial organs, and all the vice provincial governors attended the meeting.

The meeting was presided over by Comrade Zhang Boxing, who talked about his impression of the 13th party Central Committee's Seventh Plenary Session.

The comrades attending the meeting conscientiously studied and discussed "CPC Central Committee Proposals on Formulation of the 10-Year National Economic and Social Development Plan and the Eighth Five-Year Plan" and the important speeches made by Comrades Jiang Zemin and Li Peng at the 13th party Central Committee's Seventh Plenary Session. [passage omitted]

After preliminary study, all the comrades strengthened their sense of historical mission and sense of epochal urgency. They unanimously held that the universally acknowledged great achievements scored by our country during the decade-long reform have fully attested to the fact that China's socialist system is successful and has great vitality. As long as we unswervingly advance along the road of building socialism with salient Chinese characteristics and are good at carrying out continuous explorations and summings-up, we certainly will be able to withstand the test of all types of upheavals. The



forthcoming decade is an extremely crucial period in the entire historical process of our country's socialist modernization building. We must waste no time in grasping this opportune historical opportunity, face challenges, and strive to attain the second stage of strategic goals in modernization-building so as to raise the overall quality of our national economy to a new level, further improve our comprehensive national strength, and bring more actual benefits to the broad masses of the people.

The meeting pointed out: Conscientiously relaying and studying the spirit of the 13th party Central Committee's Seventh Plenary Session is a matter of great importance in the political life of the entire province. Party organizations at all levels must organize, conscientiously and in a planned way, the study and discussion of the spirit of the 13th party Central Committee's Seventh Plenary Session; truly comprehend the plenary session's spirit; strengthen propaganda and education work in this regard; unify the understanding of all the party members and cadres, as well as the broad masses of the people in our province in accordance with the spirit of the 13th party Central Committee's Seventh Plenary Session; put forward clear-cut goals for the next decade; strengthen confidence in ultimate victory; and push ahead with the development of Shaanxi's economic construction and all types of undertakings.

The meeting decided to hold the Seventh Shaanxi Provincial CPC Committee Sixth Plenary Session in the foreseeable future to relay, study, and implement the spirit of the 13th party Central Committee's Seventh Plenary Session.

#### **Shaanxi Conference Commends Heroic Citizens**

*HK0801032791 Xian Shaanxi Provincial Service  
in Mandarin 0030 GMT 5 Jan 91*

[Excerpts] The second provincial conference on commending heroic citizens who bravely fought criminals was solemnly held in Xian yesterday.

Provincial Public Security Department Director Ai Pishan presided over the conference.

Provincial Vice Governor Xu Shanlin delivered an opening speech in which he said: National stability and good social order are not only where lie the fundamental interests of the people of the whole country, but also the prerequisite for successfully carrying out all types of work. [words indistinct] The heroic deeds performed by the delegates to this conference have greatly boosted the courage of the masses in fighting criminals, dealt a telling blow at criminals swollen with arrogance, and constituted valuable contributions to social order and stability. The broad masses of cadres and people must conscientiously study and publicize the advanced deeds of these comrades, encourage healthy trends, wipe out evils, and strive to create a fine social atmosphere across our province.

Provincial party committee Secretary General (He Jinyun) read aloud a decision made jointly by the provincial party committee and the provincial government on conferring the honorary title Heroic Citizen on 10 comrades, including (Ma Jiyan), (Zhang Kexin), (Yao Zhutong), (Jia Zhisheng), (Chen Zhidong), (Cai Jialian), (Ai Kesheng), (Chen Jianhua), and two others.

Provincial party committee Propaganda Department Director Wang Jucai read aloud a decision made jointly by the provincial party committee Propaganda Department and the provincial Public Security Department on commending advanced people and activists who bravely against criminals. [passage omitted]

Provincial leaders, including An Qiyuan, Li Huanzheng, Mao Shengxian, Li Sengui, and (Qiu Guangtai), as well as responsible comrades of all the relevant provincial departments attended the conference.

### **Fredrick Chien on Foreign Policy in 1991**

OW0701134391 Taipei CHUNG YANG JIH PAO  
in Chinese 31 Dec 90 p 1

[Text] Minister of Foreign Affairs Fredrick Chien reiterated on 29 December that in the future, the Republic of China [ROC] will give little consideration to establishing diplomatic ties with mini-type countries and that the country will not pursue diplomatic relations at the expense of domestic interests. He also emphasized that next year the country's pragmatic foreign policy will focus on developing closer relations with countries which have great potentials but may have difficulty establishing diplomatic ties with the ROC.

Fredrick Chien made the remarks at a year-end news conference. He mentioned for the first time that the ROC will try to establish diplomatic ties with countries which possess natural resources favorable to the ROC's economic development or which have large markets for ROC products.

In addition to defining the principles for future diplomatic efforts, Fredrick Chien also elaborated on recent major diplomatic events:

Evacuation of Overseas Chinese from the Middle East: The Ministry of Foreign Affairs will hold a meeting on 2 January with departments concerned to discuss the evacuation of Overseas Chinese and their families. It was estimated recently that some 951 Overseas Chinese in Middle East need to be shipped back home.

Lithuanian Prime Minister Kazimiera Prunskiene's visit to the ROC: So far the ROC has not received any definite information about the prime minister's visit. Many Soviet socialist republics [SSR's] of the Soviet Union, including Lithuania, want independence, which contradicts the Soviet Union's position. Contacts between the ROC Ministry of Foreign Affairs and the SSR's may provoke the Soviet central government. Therefore, contacts with the SSR's shall be made through private industrial and commercial channels.

Relations with East Europe: There are possibilities for establishing diplomatic ties with East European countries, at very high prices. However, our people have not yet realized the need to pay high prices for diplomatic breakthroughs. Given the fact that democratization proceeds unevenly among East European countries, in the future, the ROC will still focus on developing relations with Poland, Hungary, and Czechoslovakia.

### **Comments on Spratly, Tiaoyutai Islands**

OW0701201891 Taipei CHUNG YANG JIH PAO  
in Chinese 31 Dec 90 p 1

[By Ning Yu-hua]

[Text] Taipei—In response to foreign news agencies' reports on Indonesian Foreign Minister Alatas' remarks in public that he hoped to develop the Spratly Islands

into a new cooperative zone for the neighboring countries, Foreign Minister Chien Fu pointed out on 29 December that our country already restated to the Indonesian Government that the Spratly Islands are the territory of the Republic of China and the Indonesian foreign minister, therefore, should refrain from making such improper comments. Meanwhile, the Foreign Ministry coordinated with the Defense Ministry, requesting the latter to reinforce the troops stationed on the islands to maintain security in that zone as well as safeguard the sovereignty of our country.

As for the issue of Tiaoyutai, about which the people are most concerned, Chien Fu stressed that Ma Shu-li [7456 2885 4409], representative of the Association of East Asian Relations, went to Japan early this month to express our solemn and just stand on this issue to several high-level Japanese officials. At the same time, the Foreign Ministry is also gathering relevant information from all sources, in view of the fact that "the more information favorable to our side, the greater the chance of successfully solving the issue of sovereignty over Tiaoyutai."

Chien Fu stressed that it is difficult to solve disputes over territorial sovereignty between countries in a short period of time. And the Foreign Ministry has been making representations to Japan through various channels since "Tiaoyutai incident" on 21 October. The two main points of our demand are: 1) Japan should not build a lighthouse on Tiaoyutai and remove their existing one; 2) waters surrounding Tiaoyutai is a traditional fishing ground for our fishermen and the Japanese side should stop harassing our fishing boats.

Commenting on the frequent territorial disputes with foreign countries, Chien Fu also reaffirmed his ministry's determination to defend our territorial sovereignty. It will also continue to closely monitor the developments in the situation and make representations to the countries concerned.

### **Premier Hao Po-tsun Chairs Cabinet Meeting**

OW0801075591 Taipei CNA in English 0308 GMT  
8 Jan 91

[Text] Taipei, Jan. 8 (CNA)—Premier Hao Po-tsun called on government agencies Monday to coordinate their efforts to expand the nation's foreign relations.

At a cabinet meeting discussing the development of foreign relations, Hao asked the various official agencies to actively seek to join international organizations.

Conference participants heard a report by Vice Foreign Minister John Chang on the nation's foreign policy goals and strategy.

Chang said the Republic of China's relations with the Soviet Union will be kept at the civilian level in the short term as Moscow does not intend to develop official ties with Taipei.

The semi-official China External Trade Development Council has been trying to set up an office in Moscow in order to develop trade and economic ties with the USSR, Chang said.

Participants to the meeting also discussed ways to approach Vietnam. No political contacts will be made with Vietnam in the near future, Chang said, even though efforts are under way to open air links between the two countries.

#### **No DPP Members on Mainland Affairs Committee**

*OW0701131591 Taipei International Service  
in English 0200 GMT 6 Jan 91*

[Text] Chairman of the Cabinet Committee on Mainland Affairs Shih Chi-Yang stated on Saturday that on the basis of the principle of responsible politics and party politics, the committee will not consider allowing members of the opposition Democratic Progressive Party [DPP] from entering the committee. Shih made the remark at the committee meeting of the Legislative Yuan on Saturday discussing the draft bylaw for establishing the committee on mainland affairs.

Opposition DPP lawmaker (Liu Hsiao-yu) said he opposed prior negotiation held on establishing the committee and demanded that all parties be allowed to join in.

Shih, who is also vice premier, said that negotiations serve the way of promoting understanding between parties and that once the formal bill for establishing the committee is formed, serious negotiations will be held.

#### **French Industry Minister Promises Development Aid**

*OW0801081591 Taipei CNA in English 0311 GMT  
8 Jan 91*

[Text] Taipei, Jan. 8 (CNA)—French Industry Minister Roger Fauroux said Monday that France vigorously intends to contribute to the Republic of China's 1991-96 national development plan.

Fauroux noted during an ROC-France economic cooperation conference that trade between the ROC and France accounted for only two percent of the ROC's total imports. He hoped that his visit here will improve ROC businessmen's understanding of France.

The French industry minister spoke highly of France-made Airbus, ATR passenger planes, and high speed trains, saying that introduction of these French technology to Taiwan will help the ROC's six-year national development plan.

French nuclear installations, satellites, communications equipment, as well as environmental protection, and sewerage disposal technology can be helpful to the ROC in its national construction plan.



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